April 6, 2017

Mr. Hans Hoogervorst, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr. Hoogervorst,

Exposure Draft ED/2017/1 Annual Improvements to IFRS Standards 2015-2017 Cycle

The Financial Accounting Issues Task Force of the Taiwan Financial Reporting Standards Committee (TFRSC) of Accounting Research and Development Foundation in Taiwan appreciates the opportunity to respond to the above exposure draft.

The attachments (Attachment 1) are our comments to this exposure draft. The comments are those of the Financial Accounting Issues Task Force and do not necessarily represent official opinions of the TFRSC.

If you have any question about our comments, please contact me (via my email: ccliu@management.ntu.edu.tw) or Ms. Margaret Tsui (via her email:margaret@ardf.org.tw).

Sincerely Yours,

Chi-Chun Liu, Ph.D.
Chairman,
Taiwan Financial Reporting Standards Committee,
Accounting Research and Development Foundation, Taiwan

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Attachment 1
Exposure Draft ED/2017/1 Annual Improvements to IFRS Standards 2015-2017 Cycle

Annual Improvements to IFRS Standards 2015-2017 Cycle

Question 1—Proposed amendments (please answer individually for each proposed amendment)
Do you agree with the Board's proposal to amend the Standards in the manner described in the Exposure Draft? If not, why, and what alternative do you propose?

Response to the above Question:

We agree with the proposed amendments to IAS12. We are persuaded that linking the recognition of the income tax consequences of dividends to how the tax arise would lead to arbitrary results and a lack of comparability across entities in different tax jurisdictions due to the diversity of taxation mechanisms. Therefore, it is appropriate to clarify that the requirements in paragraph 52B (now proposed as paragraph 58A) of IAS 12 apply to all income tax consequences of dividends. We also agree that IASB should not include requirements on how to determine payments on financial instruments classified as equity are distributions of profits because it would affect several other IFRS Standards and Interpretations. More importantly, it is certainly beyond the scope of IAS 12.

We agree that the proposed amendments to IAS 23 will clarify the intention of the Board.

We generally agree with the proposed amendments to IAS 28. The proposals clarify that long-term interests in an associate or joint venture also apply all requirements in IFRS 9.

Question 2—Effective date of the proposed amendments to IAS 28 *Investments in Associates and Joint Ventures*
The Board is proposing an effective date of 1 January 2018 for the proposed amendments to IAS 28. The reasons for that proposal are explained in paragraphs BC7–BC9 of the Basis for Conclusions on the proposed amendments to IAS 28. Do you agree with the effective date for those proposed amendments? If not, why, and what alternative do you propose?

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Response to the above Question:

We agree with the effective date of the proposed amendments to IAS 28. However, to provide more time to translate and prepare the implementation, we suggest that the Board finalise the proposed amendments in the first half of this year and issue the final amendments as soon as possible.

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