



Comment Letter
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

March 12, 2009

Dear Sir/Madam

ED 10 Consolidated Financial Statements

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

The attachments are our comments to the above exposure draft. The comments are those of the Special Task Force and do not necessarily represent official opinions of the FASC.

If you have any question about our comments, please contact us via conrad@mail.ntpu.edu.tw or mushenchen@ardf.org.tw.

Sincerely yours,

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Chairman,
Financial Accounting Standards Committee,
Accounting Research and Development
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Executive Specialist,
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Attachment-Response to ED 10 Consolidated Financial Statements

Question 9

Do the proposed disclosure requirements described in paragraph 23 provide decision-useful information? Please identify any disclosure requirements that you think should be removed from, or added to, the draft IFRS.

Response to Question 9:

While paragraph 23 lists a number of information that a reporting entity should disclose, item 23 (d), “information about unconsolidated structured entities that the reporting entity does not control, but with which the reporting entity has involvement”, might not seem to be compulsory and might leave rooms for the reporting entity not to disclose such information when, in fact, such reporting entity may be required to consolidate/disclose certain structured entities, yet deliberately not to do so for certain reasons.

Paragraph the comments relate: Paragraph 48 of the draft IFRS

Rationale:

Please see “response to question 9” above.

Proposal:

It might be necessary to add in Paragraph 48 to require a management statement in the footnote to the effect that the reporting entity’s management has consolidated/disclosed all structured entities as required under this IFRS.



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Other Observation to this Draft
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Paragraph the comments relate: Paragraph B47 of the draft Appendix B

Rationale:

Paragraph B47 seems to suggest a list of disclosure requirements for reporting entities provided support to structured entities that were not consolidated at the time of providing the support, however, item (c) of B47, which states that “an explanation of how the provision of the support resulted in the reporting entity controlling the structured entity ...”, might lead the reader to an impression that item (c) might not relate to B47 since B47 talks about non-consolidated structured entities whereas item (c) seems to refer to structured entities that can be controlled by the reporting entity which implies such structured entities might be one of the consolidated entities.

Proposal:

It might be necessary to re-phrase the wording in item (c) to make the description more straight-forward.