

June7, 2013

Comment Letter
Hans Hoogervorst
Chairman
30 Cannon Street
London EC4M 6XH
United Kingdom

Response to Exposure Draft ED/2013/3 Financial Instruments: Expected Credit Losses

Dear Chairman Hoogervorst,

Accounting Research and Development Foundation in Taiwan appreciates the opportunity to respond to the above exposure draft.

Our comments are as follows :

1. Providing more specific definition or application guidance :

IASB proposes that an entity shall measure a loss allowance (or provision) at an amount equal to lifetime expected credit losses when the credit risk on a financial instrument has increased significantly since initial recognition. We suggest providing more specific definition or additional operational application guidance on the assessing when the credit risk on a financial instrument has increased significantly since initial recognition. In addition, we suggest providing more operational application guidance on how to determine input (such as discount rate, the probability of a default occurring and credit loss rate) when estimating the 12-month and lifetime expected credit losses.

2. Sufficient lead time :

We suggest allowing sufficient lead time so that the entities can adjust the related information systems and internal control systems to implement the proposed requirements.

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If you have any question about our comment, please contact my staffer, Ms. Louise Wu via louise@ardf.org.tw.

Sincerely Yours,



Tang-Chieh Wu

Vice Chairman of Financial Supervisory
Commission

Chairman of Accounting Research and
Development Foundation

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