

January 11, 2018

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

Dear Mr. Hoogervorst,

Exposure Draft ED/2017/6 Definition of Material (Proposed amendments to IAS 1 and IAS 8)

The Special 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 Special 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

Attachment 1

Exposure Draft ED/2017/6 Definition of Material (Proposed amendments to IAS 1 and IAS 8)

Definition of Material

Question 1

The Board proposes amendments to IAS 1 and IAS 8 to align the definition of material between IFRS Standards and the Conceptual Framework, and to include in the definition some of the existing requirements in IAS 1. The Board also proposes to clarify the explanation accompanying the definition using existing guidance in IAS 1 and the Conceptual Framework.

- (a) Do you agree that the definition of material and the accompanying explanation should be clarified as proposed in this Exposure Draft? If you do not agree, what changes do you suggest and why?
- (b) Would any wording or terminology introduced in the proposed amendments be difficult to understand or to translate?

Response to the above Question:

The intention of the board is to align the definition of material between IFRS Standards and the Conceptual Framework but not to change the substance of the existing requirements. We believe that the proposed amendments do not make substantive changes to the definition of material. Instead the consistent wording is helpful for dealing with different wording in applying IAS 1 and IAS 8. We therefore agree with the proposal to clarify the description on the definition of material and the accompanying explanation.

Question 2

The Board issued the Materiality Practice Statement in September 2017 and expects to issue a revised Conceptual Framework in the second half of 2017. If any changes are made to IFRS Standards as a result of the proposals in this Exposure Draft, the Board will make amendments to these two documents.

The Board believes that the guidance in both the Materiality Practice Statement and the forthcoming revised Conceptual Framework will not be affected by the proposed amendments in this Exposure Draft, other than to update the definition of material (see paragraphs BC22–BC24).

Do you have any comments on the proposed amendments to the Materiality Practice



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Statement or to the forthcoming revised Conceptual Framework?

Response to the above Question:

We generally agree with the proposed amendments on the forthcoming revised Conceptual Framework and Materiality Practice Statement for consistency.

Question 3

Do you have any other comments about the proposals in this Exposure Draft?

Response to the above Question:

No.