

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

January 15, 2009

Dear Sir / Madam

Exposure Draft of Proposed amendments to IFRS 5

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

If you should have any question about our comments, please contact us. You may direct your inquiries either to me (conrad@mail.ntpu.edu.tw) or to Ms. Chung (tichen@ardf.org.tw).

Sincerely Yours,



Conrad C. Chang, Ph.D.
Chairman,
Financial Accounting Standards Committee,
Accounting Research and Development Foundation, Taiwan

Enclosures – Response to Exposure Draft Of Proposed Amendments to IFRS5

Question 1(a)

Do you agree with the proposed definition? Why or why not? If not, what definition would you propose, and why?

Response

We agree with the proposed definition. The proposed definition of discontinued operations can better reflect a strategic shift of an entity, which is important enough for the investors to pay attention. The existing definition appears to be fragmentary and is inconsistent with IFRS 8.

Question 1(b)

If an entity is not required to apply IFRS 8, is it feasible for the entity to determine whether the component of an entity meets the definition of an operating segment? Why or why not? If not, what definition would you propose for an entity that is not required to apply IFRS 8, and why?

Response

According to the proposed definition of discontinued operations (operating segments), if an entity does not have to apply IFRS 8, then the entity will not have an component that meets the definition of an operating segment logically. For example, an entity has 10 stores in a city. Due to current financial crisis, the entity intends to scale down its operation and close four stores. In such case, this is not a strategic shift. Thus, it does not warrant separate presentation of discontinued operations, even if management of the entity would like to present such information somewhere else (such as management commentary).

Question 2

Do you agree that the amounts presented for discontinued operations should be based on the amounts presented in the statement of comprehensive income? Why or why not? If not, what amounts should be presented, and why?

Response

We agree with that the amounts presented for discontinued operations should be based on the amounts presented in the statement of comprehensive income, provided that an entity shall provide reconciliations between the amounts of reportable segments and the amounts of the comprehensive income.

Question 3(a)

Do you agree with the proposed disclosure requirements? Why or why not? If not, what changes would you propose, and why?

Response

We agree with the proposed disclosure requirements.

Question 3(b)

Do you agree with the disclosure exemptions for businesses that meet the criteria to be classified as held for sale on acquisition? Why or why not? If not, what changes would you propose, and why?

Response

We agree with the proposed disclosure exemptions.

Question 4

Are the transitional provisions appropriate? Why or why not? If not, what would you propose, and why?

Response

We agree with the transitional provisions.