

21 December 2009

International Accounting Standards Board
30 Cannon Street
LONDON EC4M 6XH
United Kingdom

Email: CommentLetters@iasb.org

Dear Sir/Madam

SAICA SUBMISSION ON EXPOSURE DRAFT *LIMITED EXEMPTION FROM COMPARATIVE IFRS 7 DISCLOSURES FOR FIRST-TIME ADOPTERS* – PROPOSED AMENDMENT TO IFRS 1

In response to your request for comments on the IASB's exposure draft, *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* – Proposed amendment to IFRS 1, attached is the comment letter prepared by The South African Institute of Chartered Accountants (SAICA). Please note that SAICA is not only a professional body, but also secretariat for the Accounting Practices Board (APB), the official standard-setting body in South Africa. The SAICA comment letter results from deliberations of the Accounting Practices Committee (APC), which is the technical advisory body to the APB.

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours sincerely

Sue Ludolph
Project Director – Accounting

cc: Moses Kgosana (Chairman of the Accounting Practices Board)
Prof Alex Watson (Chairman of the Accounting Practices Committee)

SAICA SUBMISSION ON EXPOSURE DRAFT *LIMITED EXEMPTION FROM COMPARATIVE IFRS 7 DISCLOSURES FOR FIRST-TIME ADOPTERS* (PROPOSED AMENDMENT TO IFRS 1)

GENERAL COMMENTS

We support the Board in its effort to provide the same relief to first-time adopters of IFRS as that available to those entities already applying IFRS when they first apply *Improving Disclosures about Financial Instruments – Amendments to IFRS 7 – Financial Instruments: Disclosures*.

The first time application of IFRS 7 requires entities to obtain a significant amount of historical information to comply with the three year comparative disclosure requirement. We believe that the relief provided in this exposure draft will assist entities to focus on the disclosure requirements for which they have been planning and preparing for before the amendments to IFRS 7 were issued in March 2009.

SPECIFIC COMMENTS

Question 1 – Consistent disclosure transition provisions

The Board proposes to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters consistent with the transition provisions in paragraph 44G of IFRS 7 Financial Instruments: Disclosures.

Do you agree with the proposal? If not, why?

We agree with the proposal to amend Appendix E of IFRS 1 to be consistent with the transition provisions in paragraph 44G of IFRS 7.

Question 2 – Effective date

The proposed amendment to IFRS 1 would be effective for annual periods beginning on or after 1 July 2010 with early application permitted.

Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption permitted? If not, why?

We agree with the proposal that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption being permitted. We however urge the Board to provide clarity regarding the extend of the exemption provided by making the following amendment to paragraph E3:

“A first-time adopter may apply the transitional provisions in paragraph 44G of IFRS 7 to the extent that the entity’s first IFRS reporting period, *as defined in appendix A*, starts earlier than 1 January 2010.”

The amendment we propose above would ensure that the exemption provided in IFRS 1 is clearly aligned with IFRS 7 and eliminates any uncertainty regarding the application period.

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