

9 October 2015

International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH
United Kingdom
Email: CommentLetters@ifrs.org

Dear Sir/Madam

SAICA SUBMISSION ON ED/2015/7 – EFFECTIVE DATE OF AMENDMENTS TO IFRS 10 AND IAS 28

In response to your request for comments on ED/2015/7 – *Effective Date of Amendments to IFRS 10 and IAS 28*, attached is the comment letter prepared by the Accounting Practices Committee (APC) of The South African Institute of Chartered Accountants (SAICA). This comment letter results from deliberations of the APC, which comprises members from reporting organisations, regulators, investment analysts, auditors, IFRS specialists and academics.

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 faithfully,

Prof Danie Coetsee
Chairman of the Accounting
Practices Committee

Bongeka Nodada
Project Director – Financial
Reporting Standards

SAICA SUBMISSION ON ED/2015/7 – EFFECTIVE DATE OF AMENDMENTS TO IFRS 10 AND IAS 28

COMMENTS

Question

The IASB proposes to defer indefinitely the effective date of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture until such time as it has finalised amendments, if any, that result from its research project on the equity method. Earlier application would continue to be permitted.

Do you agree with this proposal? Why or why not?

We disagree with the proposal to defer the effective date of the amendment. While we agree with the reasons articulated by the International Accounting Standards Board (IASB) for the deferral of the amendment, we believe that the amendment should be withdrawn.

The current proposal results in the issue of an amendment with no effective date, which is nevertheless available for early adoption and may change when the equity project is completed. Entities developing accounting policies may therefore be committed to applying an accounting treatment, which the IASB might not believe represents the appropriate accounting treatment. We therefore recommend that the amendment be withdrawn.

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