Nov 22, 2024

Mr. Muhamed Imran Khan
AOSSG Chair Secretariat Accounting Standards Board
The Institute of Chartered Accountants of Pakistan,
Chartered Accountants Avenue,
Block 8 Clifton,
Karachi-75600

Dear Mr. Muhamed Imran Khan,

Response on IFRS Accounting Standards Exposure Draft ED/2024 – Translation to a Hyperinflationary Presentation Currency (Proposed amendments to IAS 21)

The Federation of Accounting Professions would like to show our appreciation on the opportunity to response on **IFRS Accounting Standards Exposure Draft ED/2024 – Translation to a Hyperinflationary Presentation Currency (Proposed amendments to IAS 21)**. Overall, we agree with the proposed amendments as it helps improving the clarity of the standards, as well as increasing the comparability and usefulness of the financial statements.

Please find our responses to the specific survey raised in **IFRS Accounting Standards Exposure Draft ED/2024 – Translation to a Hyperinflationary Presentation Currency (Proposed amendments to IAS 21)** in an attachment. We believe that these responses will help the practitioners in the future and that our response will contribute positively to the IASB's due process. Should you need more information, please kindly contact the Federation of Accounting Professions.

The Federation of Accounting Professions avails itself of this opportunity to the International Accounting Standards Board the assurances of its highest consideration.

Yours sincerely,

Associate Professor Dr. Vorasak Toommanon
Chairman of Thai Accounting Standards Board
Federation of Accounting Professions
Bangkok, Thailand

Nov 22, 2024

Dr. Andreas Barcko
Chairman
International Accounting Standards Board (IASB)
Columbus Building
7 Westferry Circus, Canary Wharf,
London E14 4HD, United Kingdom

Dear Dr. Andreas Barckow

Response on IFRS Accounting Standards Exposure Draft ED/2024 – Translation to a Hyperinflationary Presentation Currency (Proposed amendments to IAS 21)

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Yours sincerely,

Associate Professor Dr. Vorasak Toommanon
Chairman of Thai Accounting Standards Board
Federation of Accounting Professions
Bangkok, Thailand

IFRS Accounting Standards Exposure Draft ED/2024 – Translation to a Hyperinflationary Presentation Currency (Proposed amendments to IAS 21)

Question 1—Proposed translation method
The proposed amendments to IAS 21 would require that when an entity's presentation currency is the currency of a hyperinflationary economy but the functional currency is the currency of a non-hyperinflationary economy, the entity translates its financial statements (or the results and financial position of a foreign operation), including comparatives, at the closing rate at the date of the most recent statement of financial position. Paragraphs BC1–BC14 of the Basis for Conclusions on this exposure draft explain the IASB's rationale for proposing this translation method. Do you agree with the proposed translation method? Why or why not? If you disagree, please explain what aspect of the proposed translation method you disagree with. What changes to the proposed translation method would you suggest instead and why?

TFAC:

TFAC agrees with the proposed requirements as it will help reduce diversity in practice.

Question 2—Proposed disclosure requirements
The proposed amendments to IAS 21 would require an entity using the proposed translation method to disclose: (a) the fact that it applies the translation method in proposed paragraph 41A(proposed paragraph 53A(a)); (b) summarised financial information about its foreign operations translated applying proposed paragraph 41A (proposed paragraph 53A(b)); and (c) if the economy referred to in proposed paragraph 41A ceased to be hyperinflationary, that fact (proposed paragraph 54A). Paragraphs BC20–BC27 of the Basis for Conclusions on this exposure draft explain the IASB's rationale for these proposals. Do you agree with the proposed disclosure requirements? Why or why not? If you disagree, please explain what aspect of the proposed disclosure requirements you disagree with. What disclosure requirements would you suggest instead and why?

TFAC:

TFAC agrees with the proposed requirements as it provide useful information to user.

Question 3—Proposed disclosure requirements for subsidiaries without public accountability
The IASB proposes to require an eligible subsidiary (subsidiaries that are permitted and elect to apply IFRS 19 *Subsidiaries without Public Accountability: Disclosures*) to disclose the same information as that which would be required of other entities applying IFRS Accounting Standards (that is, the IASB proposes not to reduce the disclosure requirements for an eligible subsidiary). Paragraph BC28 of the Basis for Conclusions on this exposure draft explains the IASB's rationale for these proposals. Do you agree with the proposed disclosure requirements for eligible subsidiaries? Why or why not? If you disagree, please explain what aspect of the proposed disclosure requirements you disagree with. What reduced disclosure requirements would you suggest instead and why?

TFAC:

TFAC agrees with the proposed requirements as it provide useful information to user.

Question 4—Other aspects: Transition requirements and requirements when the economy ceases to be hyperinflationary
The IASB proposes: (a) to require an entity to apply the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; (b) not to require an entity to disclose the information that would otherwise be required by paragraph 28(f) of IAS 8 or by paragraph 178(f) of IFRS 19; and (c) to permit an entity to apply the amendments earlier than the effective date. Paragraphs BC33–BC36 of the Basis for Conclusions on this exposure draft explain the IASB's rationale for these proposals. If the economy referred to in proposed paragraph 41A ceases to be hyperinflationary, the proposed amendments to IAS 21 would require the entity to apply paragraph 39 of IAS 21 prospectively to amounts arising after the end of its previous reporting period—that is an entity would not restate amounts arising before the end of its previous reporting period. Paragraphs BC16–BC19 of the Basis for Conclusions on this exposure draft explain the IASB's rationale for these proposals. Do you agree with the proposals? Why or why not? If you disagree, please explain what aspect of the proposals you disagree with. What would you suggest instead and why?

TFAC:

TFAC agrees with the proposed requirements as it improve comparability of financial statements and does not incur significant implementation cost.