



## สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

FEDERATION OF ACCOUNTING PROFESSIONS  
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

March 25, 2022

Mr. Hans Hoogervorst  
Chairman  
International Accounting Standards Board (IASB)  
Columbus Building  
7 Westferry Circus, Canary Wharf,  
London E14 4HD, United Kingdom

Dear Mr. Hoogervorst,

### **Response on IFRS Standards Exposure Draft ED/2021/10 - Supplier Finance Arrangements**

The Thailand Federation of Accounting Professions would like to show our appreciation on the opportunity to respond on **IFRS Standards Exposure Draft ED/2021/10 - Supplier Finance Arrangements**. Overall, we agree with the proposed disclosure requirements relating to the supplier finance arrangement as it provides useful information for the users.

Please find our responses to the specific survey raised in **IFRS Standards Exposure Draft ED/2021/10 - Supplier Finance Arrangements** 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 Thailand Federation of Accounting Professions.

The Thailand 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  
Thailand Federation of Accounting Professions  
Bangkok, Thailand



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**IFRS Standards Exposure Draft ED/2021/10 - Supplier Finance Arrangements**

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**Question 1—Scope of disclosure requirements**

The [Draft] Amendments to IAS 7 and IFRS 7 do not propose to define supplier finance arrangements. Instead, paragraph 44G of the [Draft] Amendments to IAS 7 describes the characteristics of an arrangement for which an entity would be required to provide the information proposed in this Exposure Draft. Paragraph 44G also sets out examples of the different forms of such arrangements that would be within the scope of the Board’s proposals.

Paragraphs BC5–BC11 of the Basis for Conclusions explain the Board’s rationale for this proposal.

Do you agree with this proposal? Why or why not? If you disagree with the proposal, please explain what you suggest instead and why.

**TFAC:**

TFAC supports the proposal to describe the characteristic of an arrangement in the said paragraph as financing arrangements are normally versatile and could be structured differently in each country giving explanation on the arrangement’s characteristic and the Board’s rationale in the Basis for Conclusions would be more applicable than providing precise definition for the arrangement.



**Question 2—Disclosure objective and disclosure requirements**

Paragraph 44F of the [Draft] Amendments to IAS 7 would require an entity to disclose information in the notes about supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on an entity's liabilities and cash flows.

To meet that objective, paragraph 44H of the [Draft] Amendments to IAS 7 proposes to require an entity to disclose:

- (a) the terms and conditions of each arrangement;
- (b) for each arrangement, as at the beginning and end of the reporting period:
  - (i) the carrying amount of financial liabilities recognised in the entity's statement of financial position that are part of the arrangement and the line item(s) in which those financial liabilities are presented;
  - (ii) the carrying amount of financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers; and
  - (iii) the range of payment due dates of financial liabilities disclosed under (i); and
- (c) as at the beginning and end of the reporting period, the range of payment due dates of trade payables that are not part of a supplier finance arrangement.

Paragraph 44I would permit an entity to aggregate this information for different arrangements only when the terms and conditions of the arrangements are similar.

Paragraphs BC12–BC15 and BC17–BC20 of the Basis for Conclusions explain the Board's rationale for this proposal.

Do you agree with this proposal? Why or why not? If you agree with only parts of the proposal, please specify what you agree and disagree with. If you disagree with the proposal (or parts of it), please explain what you suggest instead and why.

**TFAC:**

TFAC supports the proposal regarding to disclosure requirement as it provides useful information for the user.



**Question 3—Examples added to disclosure requirements**

Paragraph 44B of the [Draft] Amendments to IAS 7 and paragraphs B11F and IG18 of the [Draft] Amendments to IFRS 7 propose to add supplier finance arrangements as an example within the requirements to disclose information about changes in liabilities arising from financing activities and about an entity's exposure to liquidity risk, respectively.

Paragraphs BC16 and BC21–BC22 of the Basis for Conclusions explain the Board's rationale for this proposal.

Do you agree with this proposal? Why or why not? If you disagree with the proposal, please explain what you suggest instead and why.

**TFAC:**

TFAC supports the proposal to add example and rationale in the Basis for Conclusion as it could enhance consistency in financial statements disclosure.