



# สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

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

December 18, 2017

Mr. Hans Hoogervorst  
Chairman  
International Accounting Standards Board (IASB)  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Dear Mr. Hoogervorst,

**Comment Letter on ED/2017/5 Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)**

The Federation of Accounting Professions of Thailand would like to show our appreciation on the opportunity to comment on *ED/2017/5 Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)*. Overall, we support the proposed amendment to the definition of accounting policies, accounting estimates and the removal of the definition of a change in accounting estimate as well as we agree to the clarification provided to this standard.

Please find our responses to the specific questions raised in *ED/2017/5 Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)* in an attachment. We believe that this proposed amendment will help the practitioners in the future and that our comment letter will contribute positively to the IASB's due process. Should you need more information, please kindly contact the Federation of Accounting Professions of Thailand.

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. Somchai Supattarakul  
Chairman of Thai Accounting Standards Board  
Federation of Accounting Professions of Thailand  
Bangkok, Thailand



## IFRS Standards Exposure Draft ED/2017/5 Accounting Policies and Accounting Estimates Proposed amendments to IAS 8

### Questions for respondents

#### Question 1

The Board proposes clarifying the definition of accounting policies by removing the terms ‘conventions’ and ‘rules’ and replacing the term ‘bases’ with the term ‘measurement bases’ (see paragraph 5 and paragraphs BC5–BC8 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

**FAP:** We agree with removal of ‘conventions’ and ‘rules’ and applying the term ‘measurement bases’. The ED will provide the clear definition of accounting policies

#### Question 2

The Board proposes:

- (a) clarifying how accounting policies and accounting estimates relate to each other, by explaining that accounting estimates are used in applying accounting policies; and
- (b) adding a definition of accounting estimates and removing the definition of a change in accounting estimate (see paragraph 5 and paragraphs BC9–BC16 of the Basis for Conclusions).

Do you agree with these proposed amendments? Why or why not? If not, what do you propose and why?

**FAP :** We agree with adding definition of accounting estimates and removing the definition of change in accounting estimate. Accounting estimates was not defined in IFRS and IFRS shows only the definition of changes in accounting estimates. The definition will help applying IFRS.



**Question 3**

The Board proposes clarifying that when an item in the financial statements cannot be measured with precision, selecting an estimation technique or valuation technique constitutes making an accounting estimate to use in applying an accounting policy for that item (see paragraph 32A and paragraph BC18 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

**FAP :** We agree with the proposed amendment. We suggest the additional concerns on the enhanced qualitative characteristics of financial information with verifiability since sometimes accounting estimates may be difficult to be verifiable.

**Question 4**

The Board proposes clarifying that, in applying IAS 2 Inventories, selecting the first-in, first-out (FIFO) cost formula or the weighted average cost formula for interchangeable inventories constitutes selecting an accounting policy (see paragraph 32B and paragraphs BC19–BC20 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

**FAP :** We support the inventory valuation as the example because this accounting policy selection is widely applied.

**Question 5**

Do you have any other comments on the proposals?

**FAP :** No further comments.