



Jardine Matheson Limited
48th Floor Jardine House
Central, Hong Kong
Tel (852) 2843 8288 Fax (852) 2845 9005
jml@jardines.com

Sent electronically through email at commentletters@ifrs.org

8 December 2011

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

Dear Mr. Hoogervorst,

Request for Views – Agenda Consultation 2011

We welcome the opportunity to provide you with our comments on this first formal agenda consultation by the IASB. We appreciate the Board's effort towards increasing engagement with global stakeholders in the agenda-setting process.

We generally support the two categories and the five strategic areas proposed by the Board. We consider that the Board should balance the need between developing financial reporting and maintaining existing international financial reporting standards that are high quality, enforceable and globally accepted. Below are our views about the Board's strategic direction and project priority in the coming years.

Overall strategic direction and balance of the agenda

Developing financial reporting –

- 1) The Board should put more emphasis on implementation review and maintaining existing IFRS in the near future instead of committing to new projects of developing new accounting standards. It is essential to have a "period of calm" to implement and consolidate all the changes introduced by the new and revised standards already issued and those expected to be released in the next year. Significant effort is required over the next few years to bed down all the changes into the systems and processes in order to ensure quality application.
- 2) We agree that the Board should continue with the project on the development and refinement of the Conceptual Framework which includes a presentation and disclosure framework. We recognize that this is critical to the acceptance of IFRSs as a comprehensive set of financial reporting standards that are high quality, principle-based and consistent.
- 3) We strongly urge the Board to defer the project on leases until the completion of the Conceptual Framework which includes a revision and clarification of the definition and recognition of assets and liabilities. As mentioned in our comment letter on the ED on Leases, we disagree with the proposed accounting model in the ED for both lessees and lessors. A single model for lessee accounting is overly simplistic. It does not take into consideration the real economic differences between diverse types of lease contracts with distinctive obligations.

We hold the view that the development of a disclosure framework is critical and urgent. It is needed to address the voluminous and unmanageable disclosure requirements under recently published and to be published accounting standards. We believe that the disclosure requirements should be reduced to a reasonable level. Excessive and boiler-plate disclosures will impose unnecessary pressure on preparers' resources. Also, they will obscure important and relevant information in the financial statements. Finally, we believe that the presentation framework may not be effectively addressed until the conceptual basis underpinning the financial reporting has been established.

- 4) We believe that XBRL should not be a part of the standard-setting process because we view XBRL to only be a tool to facilitate communication of financial information. We note that the Board may explore the interaction of IFRSs with integrated reporting and that this may include the integration of XBRL with IFRSs. We are concerned by this proposal. We agree with the concept of integrated reporting but do not believe that it is a priority for the Board at this stage.

Maintaining existing IFRSs –

- 1) We note that, after two years of implementation of the new requirements, the Board will usually conduct a comprehensive post-implementation review which will focus on important issues identified as contentious during the development of the IFRS and include consideration of any unexpected costs or implementation problems that have been encountered. The review helps the Board to ensure effective implementation and consistent application of new IFRSs.
- 2) We recommend that the Board should conduct the review after one year of implementation to enable the Board to be responsive to early implementation issues that can arise from new and revised IFRSs which may contain major amendments and may have major impact. It will enable the Board to address any key practical issues that are identified at an early stage through developing interpretation or targeting narrow-scope improvement to IFRSs.

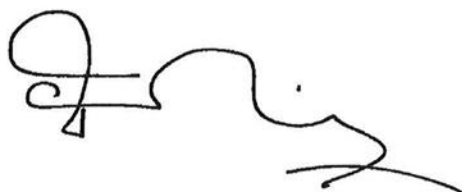
Priority of Financial Reporting projects

- 1) We believe that the Board's immediate priority should be given to the completion of three of the existing four main projects on Revenue, Financial Instruments and Insurance Contracts. After finalising these projects, we support a "period of calm" in standard setting activities. As mentioned in the previous page, we recommend that the finalization of the project on Leases should be deferred until after the Conceptual Framework project is complete.
- 2) Next, the Board should focus on completing the Conceptual Framework project, undertaking post-implementation review and conducting narrow-scope reviews to improve existing IFRSs in the coming years.
- 3) We note that Agriculture and Presentation and Disclosure standards are on the project suggestion list. We have covered our view on presentation and disclosure framework in the previous section. Once the disclosure framework is in place, the existing disclosure requirements can be assessed against this framework to identify which should be eliminated or amended. We do not believe that the development of a single IFRS to replace the piecemeal disclosure requirements in the respective IFRSs would achieve the necessary improvements.

- 4) We are aware that the Malaysian Accounting Standards Board (“MASB”) has prepared a proposal to amend IAS 41 so as to change the accounting treatment of bearer biological assets (“BBA”). We concur with the views of the MASB. We consider that BBA by nature are similar to a manufacturing operation and it should be accounted for based on a cost model under IAS 16 Property, Plant and Equipment rather than a fair-value model. We recommend the Board to include these limited amendments to the IAS 41 as part of the improvement project of IFRS as soon as possible.

If you have any questions on the content of this letter, please do not hesitate to contact me.

Yours sincerely,



James Riley
Group Finance Director

About the Jardine Matheson Group

Founded as a trading company in China in 1832, Jardine Matheson is today a diversified business group focused principally on Asia. Its interests include Jardine Pacific, Jardine Motors, Jardine Lloyd Thompson, Hongkong Land, Dairy Farm, Mandarin Oriental, Jardine Cycle & Carriage and Astra. These companies are leaders in the fields of engineering and construction, transport services, insurance broking, property investment and development, retailing, restaurants, luxury hotels, motor vehicles and related activities, financial services, heavy equipment, mining and agribusiness. The Group had revenues (including the revenues of associates and joint ventures) of US\$47 billion in 2010 and total assets of almost US\$48 billion at the end of 2010. It employs some 300,000 people.

Jardine Matheson Holdings Limited is incorporated in Bermuda and has a premium listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore.

Jardine Matheson is one of the pioneers in adopting International Financial Reporting Standards, having first prepared its financial statements in accordance with IFRS in 1990.