



**Technical Director File Reference No. 1600-00
Comment due: August 08, 2008**

- 1. Will the proposed statement meet the project's objective of providing enhanced disclosures about loss contingencies so that the benefits of those disclosures justify the incremental cost? Why or why not?**

The method ideology of contingencies is an incremental process in term of insurability of cost. These cost for example or the insurability of insurance whether it is how a bank value it incurred default account activities or when a consumer entity has incurred as excess amount of claims disbarment. This value notation was what brings about the monitoring flow of how and when contingencies should be disclosed.

What costs do you expect to incur if the Board were to issue this proposed statement in its current form as a final statement? There may seem to be various sort of scenario in term of how a disclosure is written versus the final outcome. But to disclosure specific scenario category is a concise approach of informing the going concern of the entity.

How could the Board further reduce the costs of applying these requirements without significantly reducing benefits? The cost you if will is what would be define in the disclosure report. So that further implementation of sort will not reoccur with that apprehensive of reducing benefits.

- 2. Do you agree with the Board's decision to include within the scope of this proposed statement obligations of its unfunded benefit obligations, which are currently subject to the provisions of statement 5? Why or why not.**
Unfunded obligations of benefit or the qualitative and quantitative definition of why an ongoing disclosure should be within scope disclosure of contingent.
- 3. Should an entity be required to provide disclosure about loss contingencies, regardless of the likelihood of loss, if the resolution of the contingencies is expected to occur within one year of the date of the financial statement and loss contingencies could have a severe impact upon the operations of the**

entity? Why or why not? Inventory is an inflow and outflow of estimation. Which require an ongoing valuation amount reported. Contingencies should such a loss of disclosure which is relativity an atmosphere of reference disclosure of information which can stimulate or cause a down flow of no business at all, due to the uninformed constitutes.

4. **Paragraph 10 of Statement 5 requires entities to “give an estimate of the possible loss or range of loss or state that such an estimate cannot made.” One of financial statement users’ most significant concerns about disclosures under Statement 5’s requirements is that disclosures rarely include quantitative information. Rather, entities often state that the possible loss cannot be estimated .the board decided to require entities to disclose the amount of the claim or assessment against the entity, or, if there is no claim or assessment amount, the entity’s best estimate of the maximum possible exposure to loss. Additionally, entities would be permitted, but not required, to disclose the possible loss or range of loss if they believe the amount of the claim or assessment is not representative of the entity’s actual exposure.**

A. **Do you believe that this change would result in an improvement in the reporting of quantitative information about loss contingencies? Why or why not?** The initiative of having disclosure along with monthly, quarterly or yearly financial statements is a quantitative element for the entity going concerns.

B. **Do you believe that disclosing the possible loss or range of loss should be required, rather than optional, if an entity believes the amount of the claim or assessment or its best estimate of the maximum possible exposure to loss in not representative of the entity’s actual exposure? Why or Why not?** To disclose a range of loss is sufficient as long as the notation table is reasonably possible.

C. **If you disagree with the proposed requirements, what quantitative disclosures do you believe would best fulfill users’ needs for quantitative information and at the same time not reveal significant information that may be prejudicial to an entity’s position in a dispute?** Contingencies disclosure may only footnotes the define quantitative resolution in term of the estimated out come method ,by specifying the referencing loss scenario if one does occur.

5. **If a loss contingency does not have a specific claim amount, will an entity be able to provide a reliable estimate of the maximum exposure to loss (as required by paragraph 7(a)) that is meaningful to user? Why or why not? Is an entity is aware of a loss contingency, than an estimable amount should be reference with quantitative information.**

6. **Financial statement users suggested that the board require disclosure of settlement offers made between counterparties in a dispute. The board decided not to require that disclosure because often those offers expire quickly and may not reflect the status of negotiations only a short time later. Should disclosure of the amount of settlement offers made by either party be required? Why or why not.** If there is a expiration in term of the contingency amount changing during reporting cycle. Then an additional footnote should make reference to such a likelihood of a change occurring.
7. **Will the tabular reconciliation of recognized loss contingencies, provided on an aggregated basis, provide useful information about loss contingencies for assessing future cash flows and understanding changes in the amounts recognized in the financial statements? Why or why not?** A contingency may provide a table of data which specific what future or present occurrence will happen at a estimated bases.
8. **This proposed statement includes a limited exemption from disclosing prejudicial information. Do you agree that such an exemption should be provided? Why or why not?** Contingency may be based upon legation already in practice or due to a stipulated agreement; which may only record the tabular reduction or settlement of no effect.
9. **If you agree with providing a prejudicial exemption, do you agree with two-step approach in paragraph 11? Why or why not? If not, what approach would be recommend and why?** As Exemption is only relative if no change of settlement is necessary to estimate a loss contingency.
10. **The International Accounting Standards Board (IASB) continues to deliberate changes to IAS 37, Provisions. Contingent Liabilities and Contingent Assets, but have not yet reconsidered the disclosure requirements. The existing disclosure requirements of IAS 37 include a prejudicial exemption with language indicating that the circumstances under which that exemption may be exercised are expected to be extremely rare. This proposed statement includes language indicating that the circumstances under which the prejudicial exemption may be exercised are expected to be rare (instead of extremely rare). Do you agree with the Board's decision and, if so, why? If not, what do you recommend as an alternative and why?** A contingency is as such, and to alternative the concept with irreverent information in term of preparing reporting may not be the going concern concept.
11. **Do you agree with the description of prejudicial information as information whose" disclosurecould affect, to the entity's detriment, the outcome of the contingency itself? If not, how would you describe or define prejudicial information and why?** Contingency disclosure should only implement information that is specific to an estimated loss or due diligence of a settlement pending.

- 12. Do you believe it is operational for entities to disclose all of the proposed requirements for interim and annual reporting periods? Should the tabular reconciliation be required only annually? Why or why not?** Contingency disclosure may be prepare when reporting period occur each time.
- 13. Do you believe other information about loss contingencies should be disclosed that would not be required by this proposed Statement? If so, what other information would you require?** Information that is relative to a loss contingency should be disclosed.
- 14. Do you believe it is operational for entities to implement the proposed Statement in fiscal years ending after December 15, 2008? Why or Why not?** An operational entity may implement a loss contingencies disclosures will a form quantitative and qualitative information is relative.