March 22, 2012

Comment Letter
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir/Madam

Exposure Draft ED/2011/6 Revenue from Contracts with Customers

The Special Task Force of the Financial Accounting Standards Committee (FASC) of Accounting Research and Development Foundation in Taiwan appreciates the opportunity to respond to the above exposure draft.

The attachments are our comments to this exposure draft. The comments are those of the Special Task Force and do not necessarily represent official opinions of the FASC.

If you have any question about our comments, please contact us via yanntsai@ntu.edu.tw.

Sincerely Yours,

[Signature]

Yann-Ching Tsai, Ph.D.
Chairman,
Financial Accounting Standards Committee,
Accounting Research and Development Foundation,
Taiwan
Enclosures—Response to Revised Exposure Draft of Revenue from Contracts with Customers

Our views for questions are listed below. We have no further comments to other questions listed in the Exposure Draft.

**Question 5:**
The boards propose to amend IAS 34 and ASC Topic 270 to specify the disclosures about revenue and contracts with customers that an entity should include in its interim financial reports.* The disclosures that would be required (if material) are:

- The disaggregation of revenue (paragraphs 114 and 115)
- A tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period (paragraph 117)
- An analysis of the entity’s remaining performance obligations (paragraphs 119–121)
- Information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period (paragraphs 122 and 123)
- A tabular reconciliation of the movements of the assets recognised from the costs to obtain or fulfil a contract with a customer (paragraph 128).

Do you agree that an entity should be required to provide each of those disclosures in its interim financial reports? In your response, please comment on whether those proposed disclosures achieve an appropriate balance between the benefits to users of having that information and the costs to entities to prepare and audit that information. If you think that the proposed disclosures do not appropriately balance those benefits and costs, please identify the disclosures that an entity should be required to include in its interim financial reports.

**Response**
We are concerned that the required disclosures in interim financial statements may provide too much information for users of financial statements that users may have difficulty in capturing the useful information in decision-making.

For example, the examples of categories used to disaggregate revenue listed in paragraph 115 are miscellaneous. We believe that requiring some of the information (including
geography and type of good or service) to be disclosed in line with requirements in IFRS 8 
*Operating Segments* would be more than enough to provide users with sufficient information 
in helping them make economic decisions.

Except the disaggregation of revenue, we recognise the Boards’ intention of requiring such 
disclosures and therefore generally agree with the proposal to require entities to disclose 
other information regarding revenue in interim financial statements. However, we strongly 
recommend that the Boards reconsider the cost and benefit of providing required information 
in the interim financial statements. In accordance with paragraph QC32 of *Conceptual 
Framework*, financial reports are prepared for users who have a reasonable knowledge of 
business and economic activities and who review and analyse the information diligently. 
Consequently, for disclosures that may lead to boilerplate descriptions and are not 
particularly helpful (for example, the requirements in paragraph 118 and 125) should be 
avoided. Instead, some disclosures should only be required when the entity’s actual situation 
is different from most people’s knowledge or when there is a significant change from the 
previous reporting period.