



Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

30 November 2011

The Chairman  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West  
Victoria 8007

**Exposure Draft 217 AASB 127 *Separate Financial Statements*: Tier 2 proposals**

Dear Mr Stevenson

Ernst & Young Australia is pleased to provide our comments on the AASB's Exposure Draft 217 on the Tier 2 proposals for AASB 127 *Separate Financial Statements* (the 'Exposure Draft').

Overall, we support the proposed amendments to the standard and have no specific comments in relation to the questions posed by the board.

We do have one minor editorial comment for your consideration. In the added paragraph RDR17.1, the words "when significant" have been used, presumably to refer to the investment. That is, the investor shall disclose the methods used to account for the investment when the investment is significant. The wording suggests that the investor shall disclose the methods used to account for the investment when the *methods* are significant. We therefore recommend a revision to this paragraph so that it reads '...when the investments are significant.' We do however note that paragraph RDR43.1 in existing AASB127 does not include this qualifying statement, nor was there any reason provided for the addition of this point to the paragraph.

Please contact Lynda Tomkins ([lynda.tomkins@au.ey.com](mailto:lynda.tomkins@au.ey.com) or (02) 9276 9605) if you wish to discuss any of the matters included in this letter.

Yours sincerely

A handwritten signature in cursive script that reads 'Ernst &amp; Young'.

Ernst & Young