



Group Finance
Level 8, 100 Queen Street
Melbourne Vic 3000
Phone 03 9273 4397
Fax 03 9273 6150
buggles@anz.com
www.anz.com

Shane Buggle
Group General Manager Finance

27 February 2008

Mr David Boymal
Chairman
Australian Accounting Standards Board
P.O. Box 204
Collins Street West VIC 8007

Dear David

Exposure Draft 161: Group Cash-settled Share-based Payment Transactions

Thank you for the opportunity to comment on this exposure draft. We support both proposals:

The proposed amendments specify that:

- (a) *in the financial statements of a subsidiary that receives goods or services from its suppliers under the arrangements described in new paragraph 3A of IFRIC 11, the subsidiary should apply IFRS 2 to account of the transaction with its suppliers. In other words, in the financial statements of the subsidiary, such cash-settled share-based payments are within the scope of IFRS 2.*
- (b) *the subsidiary should measure the goods or services received from its suppliers in accordance with the requirements applicable to cash-settled share-based payment transactions, as set out in IFRS 2.*

The proposed amendments to IFRS 2 and IFRIC 11 would be required to be applied retrospectively, subject to the transitional provisions of IFRS 2.

Should you have any queries, please contact Justin Lachal, Head of Financial Policy at justin.lachal@anz.com.

Yours sincerely

SHANE BUGGLE
Group General Manager Finance