

24 August 2009

Mr Kevin Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West VIC 8007

Via email: standard@asb.gov.au

Dear Mr Stevenson

Comments on Exposure Draft 186 Classification of Rights Issues (proposed amendment to AASB 132)

Thank you for the opportunity to comment on the AASB ED 186 Classification of Rights Issues. CPA Australia, The Institute of Chartered Accountants in Australia and the National Institute of Accountants (the Joint Accounting Bodies) have considered the above discussion paper (DP) and our comments follow.

The Joint Accounting Bodies represent over 180,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government, academia throughout Australia and internationally.

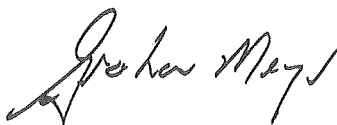
Our response to matters on which specific comment is requested is included in the attached Appendix. Also attached is our submission to the IASB.

If you have any questions regarding this submission, please do not hesitate to contact either Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au, Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au or Tom Ravlic (NIA) at tom.ravlic@nia.org.au.

Yours sincerely



Geoff Rankin
Chief Executive Officer
CPA Australia Ltd



Graham Meyer
Chief Executive Officer
Institute of Chartered
Accountants



Andrew Conway
Chief Executive Officer
National Institute of Accountants

Representatives of the Australian Accounting Profession



cpaaustralia.com.au



The Institute of
Chartered Accountants
in Australia

charteredaccountants.com.au



nia.org.au

The AASB would particularly value comments on whether:

(a) there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:

- (i) not-for-profit entities; and
- (ii) public sector entities;

(b) overall, the proposals would result in financial statements that would be useful to users; and

(c) the proposals are in the best interests of the Australian economy.

We do not consider there to be any issues arising in the Australian environment that may affect the implementation of the proposals. Overall, the proposals would result in more useful financial statements and are in the best interests of the Australian economy.

24 August 2009

Sir David Tweedie
International Accounting Standards Board
30 Cannon Street
LONDON EC4M 6XH
UNITED KINGDOM

Via "Open to comment" page on www.iasb.org

Dear Sir David

Comments on Exposure Draft ED/2009/9 Classification of Rights Issues

Thank you for the opportunity to comment on the IASB Exposure Draft Classification of Rights Issues. CPA Australia, The Institute of Chartered Accountants in Australia and the National Institute of Accountants (the Joint Accounting Bodies) have considered the above exposure draft (ED) and our comments follow.

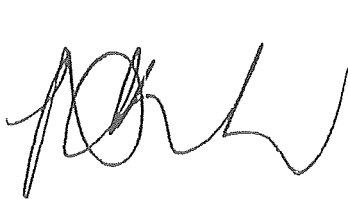
The Joint Accounting Bodies represent over 180,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government, academia throughout Australia and internationally.

The Joint Accounting Bodies agree with the proposal to amend IAS 32 *Financial Instruments: Presentation* to allow rights issued pro rata to existing shareholders to be classified as equity instruments, where the exercise price is fixed in any currency.

Whilst we appreciate the concern around the issue and agree with the fact that these specific types of rights issues should be classified as equity, we do not agree with the approach taken to make piecemeal changes to IAS 32. Given that there is an IASB project on Financial Instruments with Characteristics of Equity, this issue should be dealt with as part of this project.

If you have any questions regarding this submission, please do not hesitate to contact either Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au, Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au or Tom Ravlic (NIA) at tom.ravlic@nia.org.au.

Yours sincerely



Geoff Rankin
Chief Executive Officer
CPA Australia Ltd



Graham Meyer
Chief Executive Officer
Institute of Chartered
Accountants



Andrew Conway
Chief Executive Officer
National Institute of Accountants

Representatives of the Australian Accounting Profession



cpaaustralia.com.au



The Institute of
Chartered Accountants
in Australia

charteredaccountants.com.au



nia.org.au