



**The Institute of  
Chartered Accountants  
in Australia**

3 December 2007

The Chairman  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West VIC 8007  
E Mail: [standard@asb.com.au](mailto:standard@asb.com.au)

Dear David

**Proposed Agenda Rejection Statement: Recognition of Franked Dividend Revenue**

On behalf of the Institute of Chartered Accountants in Australia (Institute) I am writing to comment on the AASB's proposed agenda rejection statement relating to the recognition of franked dividend revenue.

The Institute supports the AASB's view that franked dividends should be recognised on a net basis, and also supports the clear articulation of this position in the draft agenda rejection statement.

However, whilst we welcome the issue of a clear position we ask the AASB to reconsider the issuing of an Interpretation on this issue since this will receive wider dissemination than a rejection statement. While the AASB has observed no significant divergence in practice, we still consider the issue unclear in the current standards as we are regularly asked by our members whether franked dividends should be recognised gross or net. In 1998 we put the issue to the Urgent Issues Group for resolution, and now ask the AASB for absolute resolution.

If you require any clarification of our position, please contact Kerry Hicks, Head of Reporting, on (02) 9290 5703.

Yours sincerely

**Bill Palmer**  
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