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Date : Amsterdam, 9 July 2009
Re : Comment on the IASB Exposure Draft "Income Tax"

Dear members of the EFRAG Technical Expert Group,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to respond to your (draft) comment letter on the IASB Exposure Draft "Income Tax".

We fully agree with your conclusions not to support the proposals set out in the ED. We are, like you, concerned that the objectives of the ED –clarification of current IAS 12 requirements and convergence with US GAAP- will not be met. We do not believe that the IASB's current proposals will lead to the desired level of convergence and clarity. We would like to add to your general comments that we would strongly recommend the IASB to improve the requirements of the current IAS 12 instead of attempting to rewrite the entire standard.

Furthermore we would like to add that, in our view, it would be preferable to allow deferred taxes to be measured at their present value.

With regard to EFRAG's questions to its constituents as included in the draft comment letter, our response is set out below.

Comment letter paragraph 84 (IASB question 10): Distributed or undistributed rate

DASB is in favour of view 2 as presented in EFRAG's draft comment letter, which states that the tax consequences arising from the settling of a liability cannot be recognised without the liability being recognised. We believe that the recognition of tax liabilities in relation to the distribution of profits before the liability related to the distribution itself being recognised is inconsistent with IAS 10. Since the recognition of the liability itself is not dependent on management intent only, in our view, neither should this be the case for the related tax consequences.

Comment letter paragraph 98 (IASB question 13): Allocation of tax components of comprehensive income and equity

Although we agree with EFRAG that the alternative model as proposed by the IASB may be applied consistently in practice, we do not think it would represent a better approach than the current IAS 12 model. As a consequence, we do not support the change proposed in the ED.

Comment letter paragraph 130 (IASB question 18): Effective date and transition

DASB is in favour of permitting but not requiring full retrospective application, noting that this would simplify the requirements for first-time adopters because of the need to use judgement and hindsight to obtain some of the information needed (as noted by EFRAG in paragraph 128 of the draft comment letter).

If you have any questions in relation to this letter, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in black ink, consisting of a vertical line on the left that curves into a horizontal line extending to the right, ending in a small hook.

Hans de Munnik
Chairman Dutch Accounting Standards Board