



1 February 2008

Mr. Stig Enevoldsen
Chairman
EFRAG
Brussels

Dear Mr Enevoldsen

Draft Comment Letter on ED of Proposed Amendments to IFRS 1 and IAS 27: cost of an investment in a subsidiary, jointly controlled entity or associate

The Institute of Certified Public Accountants of Cyprus supports the comments in EFRAG's Draft Comment Letter to the IASB on ED of **Proposed Amendments to IFRS1 and IAS 27: cost of an investment in a subsidiary, jointly controlled entity or associate**, and shares the concerns expressed therein.

With regards to Question to EFRAG constituents on IASB's Question 4:

1. We believe mandatory impairment test of the investment of each payment of dividend as currently drafted will be unduly burdensome
2. The provisions of IAS36 with regards to the requirement for an assessment at each reporting date whether there is any indication that an asset may be impaired can be used to ensure that the possibility that dividends are not recognized as income when they are returns of the investment (rather than on the investment), i.e. the IASB could require an assessment whether there is any indication that the cost of an investment in a subsidiary, jointly controlled entity or associate may be impaired : (a) at each reporting date and (b) at each time the subsidiary, jointly controlled entity or associate pays dividends.

Yours sincerely



Gabriel Onisiforou
Chairman of the Accounting Standards Committee of
The Institute of Certified Public Accountants of Cyprus