

27 September 2008

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH

**Comment on the Exposure Draft of An Improved Conceptual Framework for
Financial Reporting : Chapter 1 : The Objectives of Financial Reporting**

Dear Technical Director,

We agree that “the boards decided that an entity’s financial reporting should be prepared from the perspective of the entity (entity perspective) rather than the perspective of its owners or a particular class of owners (proprietary perspective).”

At the same time, we would like to propose to add the following sentence at the end of OB6, and just before (a), “Funds provided by all capital providers have a cost to the entity.”

Reason of the proposal:

We believe that the Boards do not intend to apply a specific thought of the financial accounting and reporting. However, we would like that the Boards keep a flexibility to adopt, at the standards setting level, recognizing a capital cost on funds provided by all capital providers, such as one proposed by Robert N. Anthony, *Future Directions for Financial Accounting*, Dow-Jones-Irwin, 1984.

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