

December 15, 2006

Mr. Peter Martin, CA
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario
M5V 3H2

BY E MAIL: ed.accounting@cica.ca

Re: ACSB Exposure Draft – Cash Distributions, Section 1540

Dear Mr. Martin:

The Committee on Corporate Reporting of Financial Executives International Canada (“FEI Canada”) is writing to provide its views on the Exposure Draft “Cash Distributions” issued in November 2006.

FEI Canada is an all-industry professional association of senior financial executives, with eleven chapters across Canada and 1900 members. Membership is generally restricted to senior financial officers of medium to large corporations, as well as senior financial officers in public sector organizations.

The Committee on Corporate Reporting (“CCR”) is one of two national advocacy committees of FEI Canada. CCR comprises more than 20 senior financial executives representing a broad cross-section of the FEI membership and of the Canadian economy who have volunteered their time, experience and knowledge to consider and recommend action on a range of issues related to accounting, corporate reporting and disclosure. In addition to advocacy, CCR is devoted to improving the awareness and educational implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

The remarks contained in this submission are made by members of CCR and do not necessarily represent the views of all FEI Canada members or its Board.

CCR has organized its views and comments on this Exposure Draft by way of responses to the suggested questions provided with respect to the proposals. Each question is repeated herein, followed by our response.

1. Do you agree with the proposed changes to paragraph 1540.55? If not, please explain why not?

Response:

We agree with the proposed changes.

2. Do you agree with the proposed effective date of the amendments? If not please explain why not?

Response:

We agree with the proposed effective dates.

3. Are the proposals appropriate for application to non-publically accountable enterprises? If not, please explain why not?

Response:

We believe them to be appropriate for application to non-publically accountable enterprises.

4. Should the amended paragraph be included in Section 1535 or remain in Section 1540?

Response:

Given the focus of Section 1535 on capital and how it is managed we believe it would be more appropriate to include the amendments in Section 1535.

CCR hopes that its comments will be useful to the Board in its ongoing deliberations. If you have any questions or would like to discuss any of these matters with us, please do not hesitate to call.

Yours very truly,



Alister Cowan
Chair, Committee on Corporate Reporting
FEI Canada