



21 April 2009

Mr. Stig Enevoldsen
Chairman
Technical Expert Group
EFRAG
Square de Meeûs 35
B-1000 BRUXELLES

E-mail: commentletter@efrag.org

Ref.: FRP/HVD/SS/ID

Dear Mr. Enevoldsen,

Re: EFRAG Draft Comment Letter on IASB Request for views on Proposed FASB Amendments on Fair Value Measurement and to Impairment Requirements for Certain Investments in Debt and Equity Securities

- (1) FEE (the Federation of European Accountants) is pleased to provide you with its comments on the draft EFRAG comment letter on the IASB Request for views on Proposed FASB Amendments on Fair Value Measurement and to Impairment Requirements for Certain Investments in Debt and Equity Securities. We have also provided direct input to the IASB and enclose a copy of our letter.
- (2) FEE supports the contents of the EFRAG draft letter emphasising the need for IASB and FASB to work co-operatively and in an internationally coordinated manner, in particular on matters in relation to the financial crisis. We strongly support the call for global solutions.
- (3) We share the concerns about the FASB's unilateral amendments to fair value guidance and impairment requirements. However, the wording in the first paragraph (a) on page 2 is in our view too strong, particularly considering the final text of the FSPs. We would prefer to drop the second sentence. In a similar way we suggest to drop the second sentence of paragraph (c) on page 3.
- (4) We agree that the IASB needs to move rapidly to a conclusion on the work on financial instruments. It would be helpful if EFRAG recognises in the second paragraph (a) the announcement of the IASB and FASB to replace their respective financial instruments standards with a common standard, with proposals exposed within 6 months.

- (5) As regards the contents of the final FSPs, we suggest that EFRAG elaborates its views on the FSP on fair value. We refer in this respect to our letter to the IASB where we explicitly encourage the IASB staff to complete its own analysis of FSP 157-4, including gathering the views of the Expert Advisory Panel, and if the conclusion of this analysis is that the FSP guidance is consistent with the existing Expert Advisory Panel guidance on fair value under IAS 39, to confirm that fact to IFRS constituents as soon as possible, as this will assist in pushing back calls for level playing field in this area. Such a message could in first instance be communicated in the IASB minutes of the Board meeting or by updating the existing Expert Advisory Panel guidance, so that the situation is clear for the 2009 interim financial statements. Subsequently the guidance could be included in the forthcoming IASB Exposure Draft on Fair Value Measurement, to give the guidance an authoritative status.
- (6) Concerning the final FSP on impairment we agree that the IASB should examine the FSP impairment treatments within the comprehensive project on financial instruments thereby aiming at a single impairment model as far as the impact on the profit and loss account is concerned for all investments in debt instruments.

For further information on this letter, please contact Ms Saskia Slomp from the FEE Secretariat.

Yours sincerely,



Hans van Damme
President