



To whom it may concerns
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

27 February 2008

Dear Sirs,

RE: IFRS 1 AND IAS 27 AMENDMENTS: COST OF A SUBSIDIARY

BUSINESSEUROPE welcomes the opportunity to comment on the amendments to IFRS 1 and IAS 27 dealing with the cost of a subsidiary.

BUSINESSEUROPE agrees with the relief granted to all potential first-time adopters of reporting their interests in subsidiaries, joint ventures and associates at the time of adoption on the basis of previous carrying amounts. The re-exposure process and the decision reached show that the consultation has been fully effective and that pragmatism may have a role to play in the IASB's decisions. We hope this experience shows a new path in the future.

Nonetheless we are concerned with the decision made by the Board that an impairment test be systematically triggered by distributions of dividends. We believe that such a requirement is both burdensome and unnecessary. Impairment tests should remain triggered by objective evidence that the investment may be impaired.

Should you wish to comment on the above further, please do not hesitate to contact us.

Yours sincerely,

Jérôme P. Chauvin
Director
Legal Affairs Department
Internal Market Department