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Mr David Tweedie
IASB
First Floor
30 Cannon Street

London EC4M 6XH

United Kingdom

Brussels, 14 December 2007

Dear Mr Tweedie,

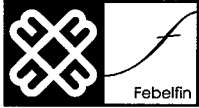
Exposures qualifying for hedge accounting: remarks of the Belgian Bankers' and Stockbroking Firms' Association

The treatment of hedge accounting under IAS 39 is a very important topic for Belgian banks, just as it is for many European banks. For many years, we have been closely following the developments in the discussion between the IASB and the European Banking Federation (EBF) in this respect.

In the light of the hopeful news in this matter these last few months, we had great expectations about the new Exposure Draft on hedge accounting. Unfortunately, the Exposure Draft, in our opinion, does not meet those expectations. More particularly, the changes to paragraph 80Z (e) and (f) as proposed seem to be incompatible with the current hedging practices within banks. Besides, the amendment of paragraph AG99C undoes an important part of the carve out, without offering a feasible alternative.

Although we agree with the ultimate goal of developing common accounting standards, we would like to reconfirm with this letter our position that, as long as no suitable solution for the accounting of hedging practices has been found, the Belgian banks advocate maintaining the carved out version of IAS 39. Should the Exposure Draft remain unchanged, then we recommend the EU to carve out the new paragraphs 80Z (e), (f) and AG99C as well.

However, we hope this can be avoided and we are still committed to actively trying to find an appropriate solution through the EBF. In this respect, we support the IASB staff advice to reconsider several topics in the field of hedge accounting (IASB, Agenda paper 9, 17 October 2007) and we plead for this advice to be taken into account when the future changes to IAS 39 on hedge accounting will be laid down definitively.



As for more detailed comments on the Exposure Draft, we refer to the technical work in progress at the FBE level, to which we give our full support.

We hope our remarks will be taken into account.

Thank you very much in advance.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Michel Vermaerke
Chief Executive Officer

A handwritten signature in black ink, featuring a large, complex loop at the top and several smaller loops below it.

Daniel Mareels
Head of the Taxation, Accounting Standards
and Prudential Regulations Department

cc.

European Commission : Mr David Wright, Deputy Director-General, DG Internal Market

EFRAG : Mr Göran Tidström, Chairman