



Association pour la participation des
entreprises françaises à l'harmonisation
comptable internationale



A F E P

Association Française des Entreprises Privées

IASB
30 Cannon Street
London EC4M 6XH
UK

Paris, January 14, 2008

Re: ED "Amendments to IFRIC 9 and IAS 39"

We welcome the opportunity to comment on the IASB exposure draft presenting "amendments to IFRIC 9 and IAS 39".

We understand that the rush in which IAS 39 amendments issued on October 13 have been prepared has not allowed the IASB to think through all the possible consequences the changes made could trigger.


We understand the rationale explained in BC2 – 4 and concur with the conclusions reached with the Board. Accounting for all derivatives which are not closely related to a host contract at fair value is one clear principle in IAS 39 and the amendments proposed are consistent with this principle. We also agree with the transition provisions.

We remain unsure though that amending paragraph 12 of IAS 39 is necessary, as paragraph 12 seems to apply universally. Also, we concur with EFRAG's proposal in its draft comment letter to modify the wording of proposed paragraph 7 A as follows:


"7A. The assessment whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on reclassification of a financial asset out of the fair value through profit or loss category ~~in accordance with paragraph 7~~ shall be made on the basis of the circumstances that existed at the later of the date when the entity first became a party to the contract and the date a reassessment is required by paragraph 7."

Should you wish any supplementary comment or explanation, please do not hesitate to contact us.

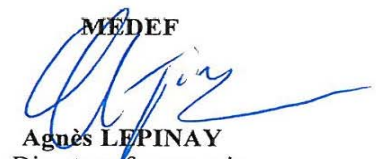
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