



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, 2009

Re: *ED "Amendments to IFRS 7 Investments in Debt Instruments"*

We welcome the opportunity to comment on the IASB exposure draft presenting "amendments to IFRS7 Investments in Debt Instruments".

We are sympathetic to the efforts carried out by the Board to react swiftly to the needs for improved financial reporting that the financial crisis has triggered.

We however are not convinced that the amendments proposed would achieve what they are meant to achieve. The Board's summary of the round-tables indicates that users and preparers are concerned that different impairment rules trigger quite different impacts on profit and loss due to increased credit risk, whether debt instruments are measured at fair value or at amortised cost. We do not believe that the proposed disclosures would help cope with those undesirable inconsistencies.

In addition, the proposals raise the following concerns:

- providing various measures of pre-tax profit is likely to bring confusion and undermine the confidence of investors in the information presented; as stated in IAS 1, we believe that no disclosure can cope with the lack of relevance in accounting requirements;
- as explained in our response to various IASB consultations and more particularly to the DP "Reducing complexity in accounting for financial instruments", relevance of financial reporting calls for a mixed measurement model to be maintained; as a result, none of the information required is relevant, as uniformity of measurement of financial instruments at fair value or amortised cost lacks relevance; we understand that this view is shared by a majority of commentators;

- the additional format proposed would include information which is already provided, because of other IFRS 7 requirements. For clarity purposes we believe that disclosures should be presented in as concise and structured fashion as possible and not repeat the same information in a disorderly way because of repetitive yet different requirements;
- the proposed requirements would prescribe the format in which the information should be presented and we do not think that IFRS should include such detailed requirements. We had welcomed IFRS 7 in the first place because it was meant to be principle based;
- new disclosure requirements cannot be made effective after the date at which they are supposed to be applied. Sound and reliable financial reporting in a group requires organisation and anticipation, and specific procedures put in place in advance of the reporting date. 2008 year end consolidation processes will have already started with all data being processed, or close to being finalised, at the time the IASB makes its final decision;
- in the context of the economic and financial crisis that the world is facing, the preparation of 2008 year end financial accounts requires extra care and work, as there are more uncertainties to be taken into account, whose impact is best reflected in the notes to the accounts. As a result no additional burden should be introduced at this late stage.

The IASB should conclude, in our view, that no disclosure requirement relevant to the issue at stake can be added to the IFRS literature and be effective for 2008 year end. As a result we recommend the IASB to work at the revision of the impairment accounting requirements for financial instruments as quickly and effectively as possible to allow revised requirements to be available for 2009 year end.

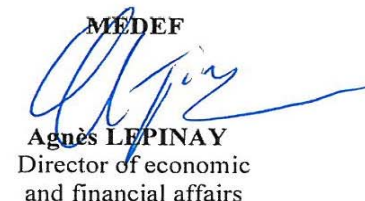
Should you wish any supplementary comment or explanation, please do not hesitate to contact us.

ACTEO

 Patrice MARTEAU
 Chairman

AFEP

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