

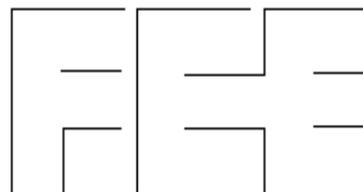
Date
27 April 2005

Le Président

Fédération
des Experts
Comptables
Européens
AISBL

Av. d'Auderghem 22-28
1040 Bruxelles
Tél. 32 (0) 2 285 40 85
Fax: 32 (0) 2 231 11 12
E-mail: secretariat@fee.be

Mr. Stig Enevoldsen
Chairman EFRAG
Technical Expert Group
Avenue des Arts 41
1000 BRUXELLES



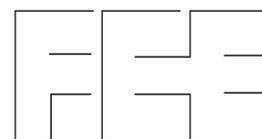
Dear Mr. Enevoldsen,

Re: Draft Endorsement advice on Amendments to IAS 39 Financial Instruments: Recognition and Measurement – The Fair Value Option

FEE (Fédération des Experts Comptables Européens, European Federation of Accountants) supports the EFRAG draft letter to Dr. Alexander Schaub recommending the rapid adoption of the Amendments to IAS 39 Financial Instruments: Recognition and Measurement – The Fair Value Option as published in draft by the IASB on 22 February 2005. We provide you with our initial reaction based on the draft as issued by IASB and as discussed by your group, in the understanding that your draft will be updated when the IASB publishes its final standard. To the extent necessary we may provide a further reaction to your endorsement advice at that time.

We support the fast track process for the endorsement of this amendment as it may help to remove one of the carve outs of endorsed IAS 39 and allows European entities to apply IAS 39 in a manner closer to the version as issued by the IASB for the financial year 2005. We acknowledge that the whole endorsement process could take several months. It is therefore likely that the revised standard will not be available and not endorsed before June 2005 when many European entities will prepare half-year financial statements under IFRS for the first time. However, EFRAG should encourage the ARC to discuss the amendment (at least preliminary if the amendments are not finalized) as early as possible, before the end of June 2005. It would be helpful for entities in Europe to pre-empt the outcome of the endorsement as of June 2005 for the preparation of the interim financial statements. Within the boundaries of the 4th Directive, entities should in the interim period before endorsement be able to choose to adopt the amended fair value option and designate certain financial assets as well as liabilities at fair value where this is prohibited under the current endorsed version of IAS 39. The importance of such early adoption in the interim IFRS financial statements lies in the fact that entities might otherwise have to change the accounting principles as well as the interim financial statements at a later stage in 2005 when the amended fair value option is endorsed.

Consistent with the option for first time adopters to amend comparatives to achieve consistent application of IAS 39, 32 and IFRS 4 in the first financial statements under IFRS, we strongly recommend that the amended fair value option can be applied as from 1 January 2004. We would also recommend that consideration is given to relaxing the transition arrangements by adopting Option B or C set out by the Secretariat of the IASB and to allow comparatives to be prepared consistently with the 2005 year end financial statements by allowing the designation of financial assets and liabilities as 'fair value through profit and loss' from 1 January 2004.



We would be pleased to discuss any aspect of this letter you may wish to raise with us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Devlin'. The signature is fluid and cursive, with the first name 'David' being more prominent than the last name 'Devlin'.

David Devlin
President