



Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
GB – LONDON EC4M 6XH

E-mail: commentletters@iasb.org

5 January 2010

Ref.: ACC/HvD/LF/ID

Dear Sir David,

Re: FEE Comments on IASB Exposure Draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*

- (1) FEE (the Federation of European Accountants) is pleased to provide you below with its comments on the IASB Exposure Draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* (the "ED").
- (2) As a founding organisation of EFRAG we have also contributed to the EFRAG consultation process by submitting on 16 December 2009 the FEE comments on EFRAG's Draft Comment Letter of 4 December 2009. EFRAG has issued its final comment letter on 22 December 2009. We have considered the EFRAG Final Comment Letter in our response and made reference to the EFRAG comments where relevant.
- (3) In summary, like EFRAG:
 - We agree with the proposed amendment; and
 - We have some concerns regarding the proposed effective date.
- (4) In the context of amendments to IAS 39 and IFRS 7, we also reiterate our concerns as previously indicated to the IASB on the increased risk of errors and/or unintended consequences arising, as a result of rushing through proposals and shortening the normal due process.

Our responses to the questions in the Invitation to comment of the ED are included as an Appendix to this letter.

For further information on this letter, please contact Leyre Fuertes, Project Manager.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'H. van Damme', written over a horizontal line. The signature is stylized and includes a large loop.

Hans van Damme
President

Appendix - Responses to the questions in the Invitation to comment of the IASB Exposure Draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*

Question 1 – Consistent disclosure transition provisions

The Board proposes to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters consistent with the transition provisions in paragraph 44G of IFRS 7 Financial Instruments: Disclosures.

Do you agree with the proposal? If not, why not?

- (5) We agree with EFRAG and support the proposal.

Question 2 – Effective date

The proposed amendment to IFRS 1 would be effective for annual periods beginning on or after 1 July 2010 with early application permitted.

Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption permitted? If not, why not?

- (6) We note, like EFRAG, that the application of the proposed relief from restatement of the comparatives would not be possible for the periods in which the relief is proposed to be available (i.e. for first IFRS reporting periods that start earlier than 1 January 2010), since the effective date proposed is for annual periods starting on or after 1 July 2010, unless entities make use of the early adoption.
- (7) Therefore, we believe that it would be more appropriate if the effective date of the amendment would be set out so that it is in line with the time frame during which first-time adopters can make use of the amendment.
- (8) In addition, we would like to emphasise that FEE is generally against backdating effective dates. Given the nature of the amendment, we believe that the effective date should be exceptionally backdated to make its application possible.