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From: Brendan Mullan [<mailto:brendanm@locks.co.nz>]

Sent: 05 October 2005 05:57

To: Commentletters

Cc: asd@nzica.com

Subject: Draft Technical Correction 1

Comments on DTC 1, Proposed Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, Net Investment in a Foreign Operation.

Dear Board

Question 1: Do I agree with the proposals in the draft Technical Correction?

Yes.

Question 2: Do I have any other comments?

I could understand the last sentence in 15B only because I read BC7. I think the words in BC7 are much clearer than the words in the last sentence of 15B. Accordingly, I recommend that 15B be split into 15B and 15C to clarify that the last sentence of 15B does not modify the first two sentences but addresses a quite separate situation. The first two sentences of 15B would become 15B. The last sentence of 15B would be replaced with BC7 and would become 15C.

I suppose however that if BC7 is to accompany IAS-21 anyway, then my recommendation is not necessary.

Yours faithfully
Brendan Mullan
Chartered Accountant
New Zealand
5 October 2005