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Patrina Buchanan  
Project Manager  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

October 31, 2005

### **DTC 1, Proposed Amendment to IAS 21**

Dear Ms. Buchanan:

UBS appreciates the opportunity to comment on Draft Technical Correction (DTC) 1, Proposed Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* – Net Investment in a Foreign Operation. UBS is a global investment bank with significant foreign operations. As such, we have a keen interest in the development of accounting guidance regarding investments in foreign operations.

We support the proposed changes and believe that they should be immediately effective with retrospective application. We agree that the accounting treatment in consolidated financial statements should not be dependent on the currency in which the monetary item is denominated, nor should it be dependent on which entity in the consolidated group transacts with the foreign operation.

However, we would like to highlight that this amendment may be viewed as a change in accounting principle, which would not fall under the scope of a technical correction as defined in the *Draft Technical Corrections Policy*. We are concerned that the Board may use the technical correction process as an expedited method of creating principle changes. We recommend that going forward, changes in accounting principle not be considered through this process.

Once again, we appreciate the opportunity to comment. We would be pleased to discuss any questions concerning our comments. Your contacts on this topic are Ralph Odermatt +1 41-44-236-8410 and John Gallagher +1 203-719-4212.

Best regards,

UBS AG

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