

31 August 2009

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London EC 4M 6XH
UNITED KINGDOM

commentletters@iasb.org.uk

Dear Sir/Madam

"Classification of Rights Issues"

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises whose primary purpose is to advance Australia's financial competitiveness. The G100 is pleased to provide comments on the Exposure Draft (ED).

Q1 Specifying the Characteristics of the rights issue

The proposed amendment applies to instruments (rights) to be offered pro rata to all existing owners of the same class of equity instruments and the exercise price to be a fixed amount of cash in any currency.

Do you agree with the proposal to limit the amendment to instruments with these characteristics? If not, why? Are there any other instruments that should be included and why?

Yes. The G100 believes that the scope of the amendments is appropriate and that currency received for the equity instrument does not affect the equity nature of the transaction.

Q2 Specifying the currency of the exercise price

The proposed amendment specifies that the fixed amount of cash the entity will receive can be denominated in any currency. If that currency is not the entity's functional or reporting currency, the proceeds it receives from the issue of its shares will vary depending on foreign exchange rates.

Do you agree with the proposal to permit an entity to classify rights with the characteristics set out above as equity instruments even when the exercise price is not fixed in its functional or reporting currency? If not, why?

Yes. The currency of issue should not affect the nature of the transaction which is the issue of equity. It would seem unusual that an issue to existing shareholders as owners would not be classified as equity.

Q3 Transition

The proposed change would be required to be applied retrospectively with early adoption permitted.

Is the requirement to apply the proposed change retrospectively appropriate? If not, what do you propose and why?

Yes.

Yours sincerely

A handwritten signature in black ink, appearing to read "A Reeves", written in a cursive style.

Tony Reeves
National President