

Ms Sandra Thompson
Senior Project Manager
International Accounting Standards Board
30 Cannon Street
LONDON
EC4M 6XH

EMAIL: CommentLetters@iasb.org

14 October 2004

Dear Sandra

IASB EXPOSURE DRAFT - PROPOSED AMENDMENTS TO INTERNATIONAL ACCOUNTING STANDARD (IAS) 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT – TRANSITION AND INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Institute's Accounting Standards Committee has considered the above Exposure Draft and I am pleased to set out its comments below.

Response to Detailed Questions

Our responses to the specific questions in the Exposure Draft are set out below:

- (i) *Do you agree with the proposals in this Exposure Draft? If not, why not? What changes do you propose and why?*

We believe that the proposals do not use the correct date. We believe the correct date to use would be "on or after 21 November 2002" rather than 25 October 2002.

- (ii) *Do the proposals contained in this Exposure Draft appropriately address the concerns set out in paragraph 5 of the Background on this Exposure Draft? If not, why not, and how would you address those concerns?*

We agree with these proposals.

- (iii) *Do you have any other comments on the proposals?*

We have no other comments on these proposals.

If you wish to discuss our comments further, please do not hesitate to contact me.

Yours sincerely

RICHARD ANDERSON
Assistant Director, Accounting and Auditing
Secretary to the Accounting Standards Committee