

**Consiglio Nazionale Dottori Commercialisti  
Consiglio Nazionale Ragionieri  
Commissione per i Principi Contabili**

Rome, 8 October 2004

**CL 23**

Sir David Tweedie  
Chairman  
International Accounting Standards Board  
30 Cannon Street, 1st floor  
GB – LONDON EC4M 6XH

Email: [commentletters@iasb.org.uk](mailto:commentletters@iasb.org.uk)

Re: Exposure Draft of Proposed Amendments to IAS 39 Financial Instruments: Recognition and Measurement “Transition and Initial Recognition of Financial Assets and Financial Liabilities”.

Dear Sir,

The Italian accountancy profession represented by the Consiglio Nazionale dei Dottori Commercialisti and the Consiglio Nazionale dei Ragionieri (thereinafter “we”), which takes advantage of the “Commissione per i principi contabili”, is pleased to submit its comments on the IASB Exposure Draft of Proposed Amendments to IAS 39 Financial Instruments: Recognition and Measurement “Transition and Initial Recognition of Financial Assets and Financial Liabilities”.

We support IASB in its objective to propose a simplified approach to initial recognition of financial instruments.

Many European companies are not used to adopting a fair value accounting with reference to financial assets and liabilities. Measuring the fair value of financial instruments would be difficult and expensive. In addition, the acquired benefits arising from the information would be lower than the occurred costs.

As far as the proposed criteria are concerned, we support to apply the amendment as from any date prior to 25 October 2002. We believe that this would be more consistent with the objective to simplify the transition to IFRSs.

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In arriving at our comments, we addressed EFRAG draft comments.

We enclose our answers to the questions raised in the IASB's Exposure Draft.

We would be pleased to discuss any aspect of this letter with you.

Yours sincerely,

Dott. Antonio Tamborrino  
Presidente del Consiglio Nazionale dei Dottori Commercialisti

Dott. William Santorelli  
Presidente del Consiglio Nazionale dei Ragionieri

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**Exposure Draft of Proposed Amendments to IAS 39 Financial Instruments: Recognition and Measurement “Transition and Initial Recognition of Financial Assets and Financial Liabilities”.**

***Question 1. Do you agree with the proposal in this Exposure Draft? If not, why not? What changes do you propose and why?***

We agree in general terms with the proposed amendment. Furthermore, we propose to extend the prospective application as from any transactions entered prior than 25 October 2002. It is possible that measuring the fair value of elements arising from financial transactions occurred prior than 25 October 2002 are in some circumstances impracticable. According to the reliability qualitative characteristic, it is more logic to permit entities to adopt this simplification with reference to remote transactions than the more recent ones.

We comprehend the need, according to the convergence process, to comply with the US GAAP. Anyway, we believe that it is important to address the First time adopters needs as well. In the transition to IFRSs, this proposed amendment would represent a useful exemption. Measuring the fair value of financial instruments would be difficult and expensive, especially to European companies used to measuring financial instruments adopting cost based criteria. In addition, the acquired benefits would be lower than the occurred costs to obtain the relative information.

***Question 2. Do the proposals 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 refer to our answer to Question 1.

***Question 3. Do you have any other comments on the proposals?***

No.