



Sir David Tweedie
IASB
International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

7 October 2009

Dear Sir David,

RE: CURRENT DELIBERATIONS ON REVISIONS TO IFRS ON LIABILITIES

Following up our letter of August 31 on the above subject, we regret to note that the September Board meeting appears to have made no significant attempt to alleviate in the proposals the serious conceptual and practical concerns we expressed and our doubts on the relevance and reliability of the information which the proposals would result in.


We hope that the Board will in October decide to re-expose its proposals. Indeed, the whole premise of the first Exposure Draft was that measurement would be clarified without any change intended. The discussion has led to considerable changes in the direction of a market-based exit value, none of which the Board has justified or discussed. Comments received by the Board clearly indicate that IAS 37 was understood and applied very consistently, without any request for interpretation sent to IFRIC, and proper due process should be followed before such changes are introduced. Also, alternative views expressed by dissenting members have never been exposed.

In their current form the proposals would create substantial practical difficulties as we pointed out. They would create new divergences from US GAAP, despite having originally been "billed" as a convergence project, and it seems unlikely that FASB will align their standards in the same direction. As already mentioned, we are not aware of any signal of a need for such a change from the capital markets and note that there appears to be substantial opposition to the thrust of the proposals, such as from Japan Business Federation (Nippon Keidanren), and not least from within the Board itself.

We would be most grateful if you could convey these concerns also to your fellow Board members and hope that, in the circumstances, they will see the necessity for re-exposure if legitimation is to be achieved for the final standard.

We remain at your disposal should you wish to discuss this subject further.

Yours sincerely,

Best regards,

Philippe de Buck