



Deutsche Bank AG London
1 Appold Street
London EC2A 2HE
Tel: +44 20 7545 6000

17th April 2009

Ryan Richards & Henri Venter,
International Accounting Standards Board
30 Cannon Street,
London
EC4M 6XH,
United Kingdom
Fax: +44 (0)20 7246 6411
hventer@iasb.org
rrichards@iasb.org

File Reference: FSP FAS 157-4

Dear Mr. Richards and Mr. Venter,

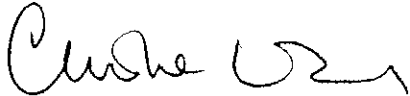
Following the issuance of the draft FSP FAS 157-e (proposed FSP) we provided our initial comments to the IASB on 27 March 2009 as part of the request for views from members of the Expert Advisory Panel. We would like to provide you with an update of our views following the FASB meeting on 2 April 2009 and subsequent issuance of FSP FAS 157-4 (final FSP) on 9 April 2009.

We were pleased that the FASB responded to comments from constituents and acknowledged that there were some unintended consequences of the drafting in the proposed FSP. In summary, we were pleased that substantial changes were made to the proposed FSP which addressed many of our concerns. We believe that the final FSP is broadly consistent with the principles in the Expert Advisory Panel (EAP) paper and will result in no significant change in valuation practice for sophisticated financial institutions and does not result in practical differences in fair value measurement between U.S. GAAP and IFRS for these institutions. Our more detailed comments are as follows:

- The EAP consisted of valuation and accounting experts from a range of financial institutions representing both US GAAP and IFRS reporters as well as members of the IASB and investor community. The document issued was concise and principles based and subject to appropriate due process. We are supportive of the EAP paper.
- The FSP uses different wording to the EAP to express similar principles. Whilst we don't believe that this will result in practical differences in fair value measurements the different wording does not aid convergence and could create some confusion.
- There are some differences in emphasis between the EAP and the final FSP. For example, the EAP paper assumes a transaction is orderly unless proven otherwise. The FSP is more neutral on this point indicating that if it cannot be proven to be either orderly or distressed that less weighting should be given to the transaction than if it could be proven to be orderly. We do not believe this difference in emphasis will result in significant practical differences in fair value measurement but this could be an area that the EAP may wish to discuss further.
- One difference that the final FSP creates is in relation to disclosure. The final FSP prescribes the minimum granularity for classes of securities for which the fair value hierarchy, level 3 roll forward and unrealised P&L disclosures must be presented. We note that there are no prescribed classes specified for derivatives or loans in the FSP. IFRS 7 does not prescribe the classes of financial instruments which must be used. We are not supportive of ad hoc additions to disclosure requirements and rather support the establishment of a disclosure framework to establish principles to determine which disclosures are decision useful, this framework would then be used to review existing and new disclosures.
- We believe that the difference in emphasis with regard to distressed sales may merit further discussion by the EAP.. We suggest that the IASB should incorporate the guidance of the EAP paper for valuing instruments in an inactive market into the fair value measurement exposure draft as implementation guidance to give it formal standing within IFRS.

We hope you find these comments helpful. Should you have any questions or wish to discuss these matters further, please contact me on +44(207)54-76640 or via email to charlotte.jones@db.com.

Yours sincerely,



Charlotte Jones
Global Head Accounting Policy and Advisory Group
Deutsche Bank AG