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20 April 2009

International Accounting Standards Board  
30 Cannon Street, London EC4M 6XH  
United Kingdom

**Re: Request for views on FASB amendments on Fair Value Measurement and to Impairment Requirements**

Dear Sir or Madam:

The enclosed comments represent official positions of the KASB. They have been determined after extensive due process and deliberation.

Please do not hesitate to contact us if you have any inquiries regarding our comments. You may direct your inquiries either to me (cwsuh@kasb.or.kr) or to Mr. Sung-ho Joo (sung-ho.joo@kasb.or.kr), researcher of KASB.

Yours sincerely,



Dr. Chungwoo Suh  
Chairman, Korea Accounting Standards Board

Cc: Sungsoo Kwon, Director of Research Department

## **KASB Comments on Request for views on FASB Amendments on Fair Value Measurement and to Impairment Requirements**

### **Amendments on Fair Value Measurement**

We know that the IASB is now preparing for providing the separate accounting standards for fair value measurement in near future. Therefore, at the moment, it will suffice to announce the IASB's formal position on the FASB Staff positions rather than to revise IAS 39 incorporating the content of the FASB's guidance hastily.

The frequent piecemeal revision of the accounting standards in order to converge the IFRSs and the US GAAP might reduce the reliability of the IFRS and generate practical burden on the application of the revised requirements. The work for diminishing the differences between the IFRSs and the US GAAP should be done after the comprehensive review on both accounting standards in various aspects.

We recognize that the IFRSs provide principle-based accounting standards whereas the US GAAP represents rule-based accounting standards. Therefore when considering the incorporation of the FASB's guidance into the IFRSs, the IASB needs to take into account whether the recently published FASB's guidance can fit within the framework of the IFRSs.

In that sense, we believe that the FASB's guidance should be considered when developing the fair value measurement project or improving the complexities of the accounting standards for financial instruments.

### **Amendments to impairment requirements**

We have an opinion that it is not desirable for the IASB to amend the IFRS as expeditiously as FASB did. The reasons are as follows.

First, it will require comprehensive review on the IFRS requirements to align with the US GAAP with regard to impairment requirements since the concept of 'other than temporary impairment' is not incorporated in the IFRS.

Second, it is our belief that piecemeal amendments with regard to financial crisis would cause confusion among users. There have already been a number of piecemeal amendments or proposed amendment to financial instruments standards in response to financial crisis recently, which include the amendment to IAS 39 for reclassification of financial assets and subsequent amendment to IFRIC 9, the amendment to IFRS 7 for improving disclosures, and the proposed amendment to IFRS 7 for investments in debt instruments which was decided not to be proceeded further. So another partial amendment would deteriorate the reliability of

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the IFRS. In addition, IFRS adopted countries that do not use English as their local language may have disadvantage due to retrospective or expedited effective date of urgent amendments.

Therefore, if it is necessary to make any amendment to current IFRS with regard to financial crisis, there should be an overall revision to financial instruments standards rather than another piecemeal amendment.