



08th October 2004

Mrs Sandra Thompson
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

CL 25

Re: Amendments to IAS 39: Transition and initial recognition of financial assets and liabilities

Dear Mrs Sandra Thompson

The Société Générale is pleased to answer to the Exposure Draft of proposed “Amendments to IAS 39 Financial Instruments: Recognition and Measurement, Transition and Initial Recognition of financial assets and financial liabilities”.

We approve the clarification given by the Exposure Draft concerning the recovering of gain and loss not recognised on “day 1”. We effectively intend to recognise such gain or loss when change arises on a significant market factor included in the price valuation.

We fully agree with the proposal to give the entities the choice of applying the “day 1” gain or loss requirements - in IAS 39 paragraph AG76 - either prospectively to transactions entered into after 25 October 2002, or retrospectively as if the Standard had always been in use. This proposal permits to apply similar rules as those adopted under US Gaap, avoiding competition differences, and without penalizing entities that have started the process to fully apply the “day 1” gain or loss requirements of the Standard, or for which it would be too expensive to extract the data from the 25th October 2002.

In conclusion, we agree with the proposals of this Exposure Draft.

If you have any queries, please do not hesitate to contact me at 33 (1) 42 14 49 86 or Mr DAMOTTE at 33 (1) 42 14 04 10.

Yours sincerely

Ms Geneviève COUTANT
Head of Group Accounting Department