CONSEJO MEXICANO PARA LA INVESTIGACIÓN Y DESARROLLO DE NORMAS DE INFORMACIÓN FINANCIERA, A.C.

CINIF

14 January 2009

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

Dear Sirs:

Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiara, A.C. (CINIF), the accounting standards setting body in México, welcomes the opportunity to submit our comments on the exposure draft of proposed Amendments to IFRS 7 Financial Instruments: disclosures, that addresses "Investments in Debt Instruments".

Our comments on the questions you raise are the following:

Question 1 – The exposure draft proposes in paragraph 30A(a) to require entities to disclose the pre-tax profit or loss as though investments in debt instruments (other than those classified as at fair value through profit or loss) had been (i) classified as at fair value through profit or loss and (ii)accounted for at amortized cost.

We agree that this disclosure would give the financial analysts additional information to evaluate the investment portfolios of entities, especially for entities in the financial sector.

Question 2 – The exposure draft proposes to require disclosing the pre-tax profit or loss amount that would have resulted under two alternative classification assumptions. It does not require a reconciliation between profit or loss and the profit or loss that would have resulted under the two scenarios. Your question is if there should be a reconciliation and what level of detail should be required in that reconciliation.

We believe that a reconciliation would not be necessary as the important issue is disclosing what would be the profit or loss under the different assumptions.

Question 3 – The exposure draft proposes in paragraph 30A(b) to require entities to disclose for all investments in debt instruments (Other than those classified as at fair value through profit or loss) a summary of the different measurement bases of these instruments that sets out (i) the measurement in the statement of financial position, (ii) fair value and (iii) amortized cost.

We agree with that proposal that would give financial analysts additional information to evaluate the investment portfolios of entities, especially for entities In the financial sector.

Question 4 – The exposure draft proposes a scope that excludes investments in debt instruments classified as at fair value through profit or loss.

We agree with that proposal, as far as these investments are made with the purpose of generating a profit through a constant process of purchases and sales in the market and other valuations would be irrelevant.

Question 5 – The proposal establishes an effective date that would be earlier that the date in which the final amendment is issued.

We agree that if the final amendment is issued before most of the financial statements for the fiscal year ending on December 2008 are issued, the effective date of the amendments to IFRS 7 may be earlier than its date of issuance. Also as the exposure draft was issued in December 2008, the entities are already aware that this information will be required.

Question 6 – The proposal indicates that comparative information relating to periods before the date of initial adoption is not required.

We agree with this transition requirement.

Should you require additional information on our comments listed above, please contact me at 00-52-55-5596 5633/26/34 or by e-mail at fperezcervantes@cinif.org.mx

Sincerely,

C.P.C. Felipe Perez Cervantes
President of the Mexican Accounting Standards Board
Consejo Mexicano para la Investigacion y Desarrollo
de Normas de Informacion Financiera (CINIF)