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Thomas Seidenstein
International Accounting Standards Committee Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

September 20, 2006

Draft Due Process Handbook for the IFRIC

Dear Mr. Seidenstein:

UBS is pleased to have the opportunity to comment on the Draft Due Process Handbook for the IFRIC. We believe that interpretive guidance is key to consistent and comparable financial statements. As such, we strongly support the work of the IFRIC. We support the proposals in the Draft Handbook. We have included our response to the specific questions asked in the Draft Handbook as well as other comments in the attached appendix.

If you would like to discuss any comments that we have made, please do not hesitate to contact Ralph Odermatt at +41 44 236-8410 or John Gallagher at +1 203-719-4212.

Regards,

UBS AG

Ralph Odermatt
Managing Director
Accounting Policies and Support

John Gallagher
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Question 1 – Agenda Committee

The Agenda Committee assists the IASB staff in presenting issues to the IFRIC so that the IFRIC can decide whether to add an issue to its agenda (paragraph 23). The Agenda Committee is not a decision-making body and does not meet in public (paragraph 26). The Agenda Committee reports to the IFRIC at its regular meetings on the issues the Agenda Committee considered and the Agenda Committee's recommendation on each issue (paragraph 27).

Do you agree with the Agenda Committee process described in paragraphs 23–27? If not, what changes do you propose, and why?

We generally agree with the Agenda Committee process however, we suggest requiring a vote of the Agenda committee members to determine if an item should be recommended to the IFRIC. The Draft Handbook contains criteria (paragraph 28) for the agenda committee to assess proposed agenda items. These items are subjective and we believe that Committee members may disagree on whether or not an issue meets the specified criteria. As such, we recommend that the Agenda Committee be required to vote on whether or not a proposed item should be recommended to the IFRIC. We suggest a simple majority vote be necessary to recommend to the IFRIC that an issue be added to the agenda. The outcome of the vote should be disclosed to the IFRIC for those items that are presented, but not recommended for inclusion on the agenda.

Question 2 – Agenda criteria

The IFRIC assesses proposed agenda items against the criteria listed in paragraph 28. For inclusion in the agenda an issue does not have to satisfy all the criteria.

Do you agree with the agenda criteria listed in paragraph 28? If not, please specify the criteria you would add, alter or delete, and explain why.

We agree with the agenda criteria listed in paragraph 28 of the proposed due process handbook.

Question 3 – Consultation regarding issues not added to the IFRIC agenda

A consultative period applies to issues that are not added to the agenda. The draft reason for not adding an item to the agenda is published in IFRIC Update and electronically on the IASB Website with a comment period of about 30 days.

Do you agree with the consultative process for issues that are not added to the IFRIC agenda? If not, what changes do you propose, and why?

We agree with the consultative process for issues that are not added to the IFRIC agenda.

Question 4 – Relationship with national standard-setters and interpretative groups

The IFRIC's relationship with national standard-setters (NSSs) and interpretative groups (NIGs) is described in paragraphs 54 and 55.

- (a) Do you agree that NSSs and NIGs should be encouraged to refer interpretative issues to the IFRIC? If not, why not?
- (b) Do you agree that the IFRIC should not consider local interpretations and comment on whether they are either consistent or inconsistent with IFRSs? If you disagree, please explain why.

We agree with the Agenda Committee process regarding the relationship with national standard setters and interpretive groups.

Other Comments

Membership

The Draft Handbook states that IFRIC members "*would normally include accountants in industry and public practice and users of financial statements, with a reasonably broad geographical representation*". We believe that in addition to a broad geographical representation, it is important for IFRIC members to bring a range of industry knowledge and expertise. We would not consider it appropriate for a majority of members to come from a similar industry. As such, we recommend amending paragraph 10 to require a diverse industry representation.