

October 4, 2004

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Andrea Pryde  
Assistant Project Manager  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Re: Exposure Draft of Proposed Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 4 Insurance Contracts Financial Guarantee Contracts and Credit Insurance

Dear Ms. Pryde:

The Accounting Principles and Auditing Standards Committee of the Florida Institute of Certified Public Accountants (the Committee) has reviewed and discussed the above referenced Exposure Draft. The Committee has the following comments:

- Question 1: The Committee agrees that the legal form of the contracts should not affect their accounting treatment.
- Question 2: The Committee feels that the proposed scope is appropriate.
- Question 3: The Committee feels that the subsequent measurement criteria discussed is not appropriate because the reference to IAS 37 is too broad. The Committee believes that instead of referencing IAS 37 and IAS 18 the Exposure Draft should designate the appropriate guidance in order to insure that consistent measurement is applied.

In addition, (b) under question 3 references paragraph 478 of IAS 39 which has no subsections.

- Question 4: The Committee feels that the effective date of the proposed amendments should be applied consistently with the effective date of IAS 39 (January 1, 2005).

- Question 5: The Committee had the following other comments:

- A. The Committee felt that the references to other IAS statements made the exposure draft difficult to follow. The Committee believes that identifying the accounting treatment specifically in the document would enhance the readers=

understanding and subsequently result in more consistent application of the accounting treatment for Financial Guarantee Contracts and Credit Insurance.

- B. The Committee questioned whether the proposed amendment applies to guarantees paid in stock. The Committee suggests that the final statement should specifically address that question.

The Committee appreciates the opportunity to share our views and concerns. Members of the Committee are available to discuss any questions you may have regarding this communication.

Very truly yours,

Kathryn M. Means, CPA, Chair  
Accounting Principles and Auditing Standards Committee

Committee Members coordinating this response:

Mary Lou Wurdack, CPA  
Randy Dillingham, CPA