

**Organismo Italiano di Contabilità – OIC**  
**(The Italian standard setter)**  
Italy, 00187 Roma, Via Poli 29  
Tel. 0039/06/6976681 fax 0039/06/69766830  
e-mail: [presidenza@fondazioneoic.it](mailto:presidenza@fondazioneoic.it)

**CL 5**

Sir David Tweedie  
Chairman IASB  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

21 September, 2004

**Re : Exposure Draft of Proposed Amendments to IAS 39 Financial Instruments: Recognition and Measurement (Transition and Initial Recognition of Financial Assets and Financial Liabilities)**

Dear Sir David,

The OIC agrees with the idea to better define the method of application of the requirements relative to the initial recognition of financial assets and liabilities at the moment of transition to IAS when this regards financial instruments recognised in an entity's balance sheet prior to such transition.

In particular we agree with the need to foresee an exception to the requirement for verifying that the cost originally incurred to acquire the financial instrument corresponds with its fair value. In most cases such correspondence is impossible to verify and so we believe that it is correct to foresee a specific exception.

On the other hand we do not agree, nor does the EFRAG, with the limit of such an exception to the sole transactions entered into after the 25 October 2002. Such limitation, which is very peculiar and justified only by the need to obtain homogeneity with US GAAPs, has no logical significance for an entity applying IAS principles for the first time.

Yours sincerely

Prof. Angelo Provasoli  
(OIC – Chairman)