



Federation of German Industries · 11053 Berlin, Germany

Mr. Gerrit Zalm
Chairman of the International Accounting
Standards Committee Foundation Trustees
International Accounting Standards Board
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Prof. Dr.-Ing. Hans-Peter Keitel
Chairman

Date
7 April 2009

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Dear Mr. Zalm,

With reference to the letter my predecessor Jürgen Thumann sent you in March 2008 concerning SME representation at IASB level, I would like to again highlight this concern during the consultation on the second part of the constitutional review started at the beginning of this year.

The consultation process for the IFRS for Non-publicly Accountable Entities (NPAEs) illustrated the necessity for a better understanding of the needs of these companies. At the beginning of the consultation the Exposure Draft of the IFRS for NPAEs was heavily criticised by most of the stakeholders because it focused too strongly on the information needs of listed companies. In the course of deliberations by the Board, the main issues of the Exposure Draft such as options, fair value measurement, amortization of goodwill, pensions and disclosures had to be redrafted to better meet the expectations.

In Germany the coming IFRS for NPAEs will come under scrutiny as an alternative to Full IFRS, although IFRS for NPAEs cannot be implemented at short notice for tax and company law reasons. The final judgement on the standard will be strongly linked with the future representation of SME issues at the IASB level.

We therefore support BusinessEurope's proposal in the comment letter on the second part of the constitutional review to create a committee of SME

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representatives. This committee would be responsible for monitoring the further development of the IFRS Standard for NPAEs.

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Please rest assured that the BDI will support the IASB in its pursuit to create a high-quality worldwide standard and will continue to accompany the process of developing the IFRS for NPAES in a constructive manner.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Timothy W. Hill". The signature is written in a cursive, flowing style with a large initial 'T'.