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

Dear Sir,

*Re: Discussion Paper "Measurement Bases for Financial Accounting – Measurement on Initial Recognition"*

We welcome the opportunity to comment on the Discussion Paper: *Measurement Bases for Financial Accounting – Measurement on Initial Recognition* (referred to as the discussion paper). It provides us with the opportunity to open a debate around key measurement issues which is both timely and useful.

However, we would like to address the following points for consideration in any follow up document: -

- We feel that the paper is set at a very high academic level and does not address the practical considerations that would be encountered in a business situation.
- The document seems to consider fair value to be the preferred method of measurement on initial recognition. However, we feel that the comparisons between fair value and the other measurement bases are tentative given that the IASB is currently finalising an exposure draft on fair value measurement in general.
- The discussion paper seems to deal with the concept that "the Perfect Market" exists for every asset or liability, yet we feel that this is not the realistic view of the business world. We feel that this assumption needs to be explained and justified persuasively.
- The discussion paper does not deal with 'when' an asset or liability should be initially recognised, merely the basis in which it should be recognised. We feel that this should be clearly outlined.
- The discussion paper has tentative conclusions about reference markets, the unit of account and transaction costs. These conclusions will have an effect on the information that is provided in the financial statements. We feel that we need to understand the view that the discussion paper would require the financial statements to portray.

We feel that the important issues, which the discussion paper has addressed, have not fully been justified, thus we have provided our comments above. We hope that you find our comments helpful.

We would also like to add that we are in agreement with EFRAG's submission.

If you wish to discuss our comments in detail, please do not hesitate to contact Marian Sweeney.

Yours sincerely,

Marian Sweeney  
Senior Financial Manager