



INTERNATIONAL
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Sir David Tweedie, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

29 July 2004

Dear Sir David,

Exposure Draft of Proposed Amendments to IFRS Business Combinations

The International Co-operative Alliance would like to support our member co-operatives, many of whom have made submissions to you disagreeing with the proposed amendments. Given that IFRS 3 was only approved 4 months ago it seems unreasonable to propose such dramatic changes in such a short space of time.

We feel that the standard should remain unchanged at present giving time for proper consideration of alternate accounting methods for business combinations which would respect the different legal nature of co-operatives and our considerable impact on the world economy. Needless to say we would be happy to co-operate with any such consideration.

The Co-operative Movement worldwide provides 100 million jobs and covers all types of social and economic enterprises and these proposed amendments will negatively affect them in many different ways. However, all are based on the seven principles of co-operation to which all co-operatives adhere and which governs in particular their ownership and democratic criteria.

My member colleagues will elaborate on their particular concerns pertaining to their co-operative structure. As their global parent body I would ask that you regard their concerns with the utmost seriousness and postpone any changes until the matter has had further detailed consideration.

Yours sincerely,

Iain Macdonald
Director General

The International Co-operative Alliance ("the ICA") is an independent, non-governmental organisation, which unites, represents and serves co-operatives worldwide. The ICA was founded in 1895. The ICA has more than 230 member organisations from over 100 countries, representing more than 760 million individuals worldwide. In 1946, the ICA was one of the first non-governmental organisations to be accorded United Nations Consultative Status. Today it holds general category Consultative Status with the UN Economic and Social Council (ECOSOC).