

8 October 2004

The Chairman  
International Accounting Standards Board  
30 Cannon Street  
LONDON EC4M 6XH  
UNITED KINGDOM

Dear Sir David,

**IASB EXPOSURE DRAFTS OF PROPOSED AMENDMENTS TO IAS39  
FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT**

The Malaysian Accounting Standards Board (MASB) appreciates the opportunity to offer its views on the following 3 Exposure Drafts of Proposed Amendments to IAS39 Financial Instruments: Recognition and Measurement:

- (i) Transition and Initial Recognition of Financial Assets and Financial Liabilities;
- (ii) Cash Flow Hedge Accounting of Forecast Intragroup Transactions; and
- (iii) Financial Guarantee Contracts and Credit Insurance.

We support the efforts of IASB to ease implementation of the standard with regard to initial recognition of financial assets and financial liabilities as well as cash flow hedge accounting of forecast intragroup transactions. We also support IASB proposal to ensure that a guarantor's balance sheet includes all guarantees issued.

Having reviewed the 3 Exposure Drafts and comments received from Malaysian constituents, we are in favour of the proposals laid out in these Exposure Drafts.

Should you require further information, please contact Dr. Nordin, the technical director of MASB, via e-mail at [nordin@masb.org.my](mailto:nordin@masb.org.my).

Yours sincerely,

Dato' Zainal Abidin Putih  
Chairman