

**Sir David Tweedie**  
**Chairman**  
**International Accounting**  
**Standards Board**

**First Floor, 30 Cannon Street,**  
**London EC4M 6XH,**  
**United Kingdom**

Dear Sir Tweedie,

The Central Bank of the Russian Federation has analyzed the proposed amendments to IAS 39 “Financial Instruments: Recognition and Measurement” – Fair Value Option and suggests the following comments.

We support the idea of classifying the trade portfolio into two groups, i.e.: “as held for trading” financial instruments with profiting and short-term feature and other financial assets and liabilities available for sale that can be measured at fair value notwithstanding of the absence of exchange quotation with sufficient accuracy and reliability.

At the same time, the proposed approach to fair value in cases when financial asset doesn’t have official market quotations which is problematic to be used for the majority of financial instruments. The reasons for this can be off-exchange market opacity for so called “contractual” prices etc.

Because of the absence of objective provisions for non-quoted financial instruments accounting at “fair” value and in view of the current debates about IAS 39 usage, unregulated difficulties issues between International Accounting Standards Board and Basle Committee on banking supervision, we suppose that in the Russian Federation and in the other countries with developing market economies there are no necessary conditions for valuable applying of this standard.

Please, accept my best wishes,

Sincerely yours,

L.Gudenko

Chief accountant  
Director of Accounting and Reporting  
Department