



The Hundred Group
of Finance Directors

Financial Reporting Committee

Ms Annette Kimmit
Senior Project Manager
International Accounting Standards Board
30 Cannon Street,
London
EC4M 6XH

13 July 2004

Dear Ms Kimmit,

Amendment to IAS 39 – The Fair Value Option

The 100 Group supports the retention of the Fair Value Option and, therefore, opposes the proposed amendments which would limit its application.

We support the option because it will ease the application of IAS 39 and reduce, in many instances, the cost and difficulty of achieving hedge accounting. In general we concur with the Alternative Views.

A particular point of concern is the introduction of a new concept of verifiability, which appears to be a subset of reliability. We think that it is misleading and unhelpful to introduce a new term. Either fair values are reliable, or they are not. If they are reliable then they should be verifiable. We are also concerned that the proposed amendments make reference to regulators. The IASB should only be concerned with general purpose financial statements prepared by use by external users. Regulators are free to ask for additional information and their needs should have no impact on published financial statements.

Yours sincerely

Rosemary Thorne
Chairman
Financial Reporting Committee of the 100 Group of Finance Directors