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**International
Accounting Standards
Committee Foundation**

This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

**IASCF Trustees Meeting
Amsterdam 7 July 2009**

Agenda Paper 6B

Memorandum

To: IASC Foundation Trustees

From: Antonio Vegezzi, Chairman, Due Process Oversight Committee

Date: June 24, 2009

Re: IASB's revision of IAS 39

At the last meeting in London, the Trustees expressed their support for the IASB's focus on a comprehensive revision of IAS 39. The Due Process Oversight Committee also had the opportunity to meet with the IASB in April to discuss the timing and process of the revision. It was the collective view of those Trustees participating in that joint meeting that the commitment to complete the project on the time schedule proposed would be critical.

In May, the IASB agreed to accelerate a portion of the comprehensive review. The acceleration does not create a divergence with the emphasis on a comprehensive approach, but does alter the timing related to one element of the revision. As you know, in July the IASB will publish an exposure draft on the portion related to classification and measurement with a two-month comment period. A standard will be in place by year end. The IASB will continue its work on the other portions of the comprehensive review with the intention of having the remaining proposals out by year end.

The Due Process Oversight Committee supports the process and timing set out by the IASB and believes that the Trustees should formally minute their support for the IASB's position. We believe that the commitment to the proposed time line, in particular the timing of the accelerated portion, has gained even greater importance in light of the G20 recommendations and David Tweedie's recent statement to the EU Finance Ministers.

Therefore we are proposing the following statement be incorporated into the minutes:

The Trustees support the IASB's agreed timetable for the comprehensive revision of IAS 39. The Trustees believe that the IASB's decision to give priority to the comprehensive project, rather than to piecemeal changes, remains appropriate. At the same time, the Trustees emphasise the importance of the IASB's concluding the accelerated portion of the project by year end as part of IASB's response to accounting issues arising from the financial crisis.

The Trustees recognise that this is a challenging task due to the time constraints and the complexity of the issues involved, and may required reallocation of resources and reprioritization of priorities to be achieved. The Trustees will monitor the IASB's progress against the agreed and urgent time lines.