

Mr Robert Garnett  
Chairman  
International Financial Reporting Interpretations Committee  
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15 December 2008

Dear Mr Garnett,

**Tentative agenda decision: IAS 39 *Financial Instruments: Recognition and Measurement* – Derecognition**

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the November 2008 *IFRIC Update* of the tentative decision to remove from its agenda a project on an Interpretation of IAS 39 *Financial Instruments: Recognition and Measurement* with respect to providing guidance on how the derecognition tests in IAS 39 should be applied to groups of financial assets and when the pass through tests in IAS 39 should be applied to a transfer of a financial asset.

We concur with IFRIC's conclusion to remove this issue from its agenda in the light of the accelerated IASB project on derecognition that would amend the sections this project would have had addressed. However, we note that the issues raised with the IFRIC have been on the agenda for a considerable period of time and since then preparers and their auditors were left in uncertainty about the appropriate accounting under IFRSs and, as the project no longer meets the IFRIC's agenda criteria, this uncertainty continues to exist until any new guidance becomes effective. Finally, if the IASB's derecognition project does not progress as expected, the IFRIC should consider re-activating their project, provided that any output of such a project would be applicable within a reasonable period of time and would meet the other agenda criteria set out in the *Due Process Handbook for the IFRIC*.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Wild', with a long, sweeping horizontal line underneath it.

**Ken Wild**  
Global IFRS Leader