

12 April 2009

Mr. Robert P Garnett  
Chairman  
International Financial Reporting Interpretations Committee  
30 Cannon Street  
London EC4M 6XH

E-mail: ifric@iasb.org

Dear Sir

**Tentative agenda decision: IAS 41 *Agriculture* - Discount rate assumption used in fair value calculations**

Whilst not objecting to IFRIC's decision not to take the item to the agenda we wish to make the following comments regarding the wording of the IFRIC decision.

In view of the fact that the concern raised was in relation to the possibility of recognizing significant and inappropriate upfront gains by using a low discount rate, the record of the decision should have addressed the manner in which the standards deal with the issue of preventing such upfront gains.

The amendment to paragraph 21 of IAS 41 has a relevance to the ascertainment of the discount rate, but does not sufficiently address the issue of recognizing inappropriate upfront gains, and therefore did not merit being mentioned in the decision.

We note that the reference to paragraph 24 was appropriate, as it addresses the issue of inappropriate upfront gains.

We note that the reference to IAS 39 should have included references to the manner in which IAS 39 prevents recognition of upfront gains by including a specific reference to AG 76, AG 76A, AG77 and BC 104.

We would be pleased if you would consider changing the wording of the decision accordingly.

Thank you

Yours faithfully

Ajith S Ratnayake  
*Director General*  
*Sri Lanka Accounting and Auditing Standards Monitoring Board*