



The European Insurance CFO Forum  
C/O Dieter Wemmer  
Zurich Financial Services Ltd  
Mythenquai 2  
CH-8002 Zurich  
Switzerland

Mr Robert Garnett  
Chairman  
IFRS Interpretations Committee  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

2 August 2010

Dear Mr Garnett,

**IAS 12 Income Taxes – Recognising deferred tax assets for unrealised losses on available-for-sale debt securities**

We refer to our letter of 11 June on the above subject. As set out in that letter, the topic is a significant issue for a number of the CFO Forum members and our concerns about the IFRS Interpretations Committee's ("Committee") discussions on this persist, both with regard to the content as well as to the due process. Members of the CFO Forum have closely followed the discussions in the July Committee meeting and the apparent outcome as reported in the July edition of the IFRIC Update.

Content of the issue

We believe that the discussion in the Committee meeting reinforced our view that this issue is complex. The fact pattern presented to the Committee was, in the view of our members, not clear and further complicated the discussion amongst Committee members.

Process to resolve the issue

It is not fully apparent to us as to what the Committee has decided as the next step. From the discussions during the meeting, we understood that the Staff would further consider the best approach to address this issue, either through a Committee agenda decision or an IASB Improvements project. However, the July edition of IFRIC Update states that the Staff was asked to redraft the agenda decision for finalisation in the September meeting, without any further consideration of other approaches.

We continue to believe that this issue might have a wider impact and is too complex to be dealt with through an Agenda decision, without full due process. The impact of the proposed Committee agenda decision could be significant to the financial industry and appropriate transitional provisions should be considered to avoid abrupt accounting effects. We would therefore ask the Committee to take this into account when determining how the issue should be resolved.

The CFO Forum is fully committed to work with the Committee and/or the IASB to ensure that this issue is dealt with appropriately. We would welcome an opportunity to meet with the Committee members and/or Committee Staff to better explain the issue, the practical challenges of applying IAS 12 in this respect and how our views may assist in resolving this issue. Members of the CFO

Forum will contact your Staff in the near future in order to determine how we can best take this forward.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dieter Wemmer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dieter Wemmer  
Chairman – CFO Forum

cc. Sir David Tweedie (IASB)