

IFRS Foundation

30 Cannon Street
London EC4M 6XH | UK

Tel: +44 (0)20 7246 6410

Fax: +44 (0)20 7246 6411
info@ifrs.org

www.ifrs.org

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

INFORMATION FOR OBSERVERS

IFRS Foundation Trustees Meeting, Tokyo, 10 February 2011

AGENDA PAPER 11D (ii)

Mr David Sidwell
Chairman, Due Process Oversight Committee
The Trustees – IFRS Foundation

26 January 2011

Dear David

I am writing to you today to bring to your attention the fact that the Board will shortly be publishing a document with what some will see as a short comment period.

In November 2009 the Board issued an exposure draft *Financial Instruments: Amortised Cost and Impairment*. On 31 January the Board expects to publish a supplement that exposure draft, with a 60 day comment period.

The IASB and FASB have been considering the feedback they have received on their, separate, impairment proposals. In doing so the each board began to develop a model for impairment accounting that was a variant of its original proposal. However, both boards are committed to enhancing comparability internationally in the accounting for financial instruments. In particular, they are committed to seeking a common solution to the accounting for the impairment of financial assets. The importance of achieving a common solution to this particular issue has been stressed to the boards by the G20, regulators and others.

The supplement that we are publishing on 31 January presents an impairment model that the boards believe will enable them to satisfy at least part of their individual objectives for impairment accounting while achieving a common solution to impairment. Because the common model is an expected loss model which incorporates the time-proportionate approach proposed in the November 2009 exposure draft, the IASB concluded that they could have finalised the requirements

without re-exposure. Accordingly, the IASB is publishing this document primarily to benefit from additional operational feedback but considers this additional consultation to be beyond that required by its due process requirements.

The nature of this additional consultation has been discussed in public meetings and the IASB confirmed in a public on 18 January its assessment that re-exposure is not required.

We will include this explanation in the supplement. This will ensure that potential respondents understand the nature of the feedback the Board is seeking and why it considered that a 60 day comment period is appropriate.

Please do not hesitate to contact me if you require any additional information.

Kind regards

A handwritten signature in black ink, appearing to read 'Alan Teixeira', with a horizontal line underneath.

Alan Teixeira | Director of Technical Activities

International Accounting Standards Board (IASB)
30 Cannon Street | London EC4M 6XH | UK

Switchboard: +44 (0) 20 7246 6410 | Direct: +44 (0) 20 7246 6442
ateixeira@ifrs.org | www.ifrs.org

The IASB is the independent standard-setting body of the IFRS Foundation