

12 January 2009

Sir David Tweedie
International Accounting Standards Board
30 Cannon Street
LONDON EC4M 6XH
United Kingdom

Via "Open to comment" page on www.iasb.org

Dear Sir David

Comments on IASB Exposure Draft *Investments in Debt Instruments – proposed amendments to IFRS 7*

Thank you for the opportunity to comment on the IASB Exposure Draft *Investments in Debt Instruments – proposed amendments to IFRS 7*. CPA Australia, The Institute of Chartered Accountants and the National Institute of Accountants (the Joint Accounting Bodies) have considered the above exposure draft (ED) and our comments follow.

The Joint Accounting Bodies represent over 180,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government, academia throughout Australia and internationally.

We understand why the IASB has considered it necessary to address financial instrument disclosures at the current time. However, we are unable to support the proposals for additional disclosures in this area due to a number of concerns outlined below.

Due process timing

We do not consider that a three week comment period (reduced to a two week timing to enable us to respond to our national standard setter) over the holiday season is sufficient for us to gather sufficient input from our members on the detail of the proposals.

Piecemeal changes to the standard

As we indicated in our last comment letter on amendments to IFRS 7, we remain concerned about the increasing amount of piecemeal changes to IFRS 7. We recommend a post implementation review of IFRS 7 disclosures as soon as feasible to ensure they require concise and focussed disclosures of key information relevant for decision making purposes.

Objective of the disclosures

We do not consider that the proposals meet the objectives as outlined in the introduction and further we do not consider the basis for conclusions adequately explains the need for such detailed requirements. Noted below are some preliminary comments from some constituents:

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The Institute of
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in Australia

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- the cost of producing the required amortised cost information would not be justified by improved information benefits;
- disclosure of alternative profit scenarios will not assist typical users to understand the impairment losses as there are other factors to consider;
- the information to be disclosed focuses on all debt instruments not held at fair value through profit and loss and not just those subject to impairment losses, which is what was discussed at the recent roundtables;
- key components in this document are not defined such as 'debt instruments' and 'amortised cost'; and
- areas are not clear such as whether the disclosures relate to balances held at reporting date or those held during the year.

This feedback should be taken as indicative only, as we are waiting on further feedback from Australian constituents.

Effective date

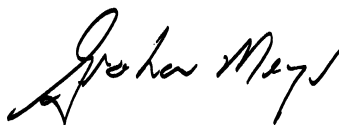
While we understand why the IASB would wish to adopt the proposals immediately, we cannot support an effective date of 15 December 2008 due to the inability of the Australian legislation process to have an application date prior to the date of issue of the amendment. Our view is that the IASB, when setting effective dates and transition arrangements, should allow sufficient time for jurisdictions with legislative/endorsement processes to enact such changes to enable them to be fully compliant with IFRS.

If you have any questions regarding this submission, please do not hesitate to contact Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au, Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au or Tom Ravlic (NIA) at tom.ravlic@nia.org.au.

Yours sincerely



Geoff Rankin
Chief Executive Officer
CPA Australia Ltd



Graham Meyer
Chief Executive Officer
Institute of Chartered
Accountants



Roger Cotton
Chief Executive Officer
National Institute of
Accountants

Cc: Bruce Porter, Acting AASB Chairman

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