

24 August 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 Exposure Draft ED/2009/9 Classification of Rights Issues

Thank you for the opportunity to comment on the IASB Exposure Draft Classification of Rights Issues. CPA Australia, The Institute of Chartered Accountants in Australia 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.

The Joint Accounting Bodies agree with the proposal to amend IAS 32 *Financial Instruments: Presentation* to allow rights issued pro rata to existing shareholders to be classified as equity instruments, where the exercise price is fixed in any currency.

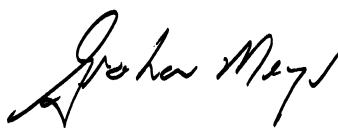
Whilst we appreciate the concern around the issue and agree with the fact that these specific types of rights issues should be classified as equity, we do not agree with the approach taken to make piecemeal changes to IAS 32. Given that there is an IASB project on Financial Instruments with Characteristics of Equity, this issue should be dealt with as part of this project.

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

Yours sincerely



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