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Masashi Oki
International Accounting Standards Board
30 Cannon Street
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2 March 2009

Dear Mr Oki,

Post-Implementation Revisions to IFRIC Interpretations - Proposed amendments to IFRIC 9 and IFRIC 16

We are responding to your invitation to comment on the above exposure draft, published in January 2009, on behalf of PricewaterhouseCoopers. Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of member firms who commented on the proposed revisions. 'PricewaterhouseCoopers' refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We fully support the change to IFRIC 9 and the proposed effective date.

We also support the amendment to IFRIC 16 subject to the need to clarify that it only relates to derivative instruments. Our detailed comments on this amendment are in the appendix to this letter.

We note that the exposure draft was issued with a 30 day comment period. We recognise the need for short exposure periods where there is an urgent need for change but we do not believe that this is the case for either of these amendments. The proposed amendment to IFRIC 9 will not significantly impact practice and the proposed amendment to IFRIC 16 will only impact a limited number of preparers. In future, we recommend that amendments such as these which have a narrow scope or effect should be deferred for incorporation in a single "annual improvements" process where a longer comment period could be justified.

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If you have any questions in relation to this letter please do not hesitate to contact Richard Keys, PwC Global Chief Accountant (+44 20 7212 4555), or Pauline Wallace (+44 20 7804 1283).

Yours sincerely

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Appendix – Response to Specific Questions

Proposed Amendment to IFRIC 9 - *Reassessment of Embedded Derivatives*

Question 1 – Amendment arising from IFRS 3 (as revised in 2008)

The Board proposes to amend paragraph 5 of IFRIC 9 to exclude from its scope embedded derivatives in contracts acquired in combinations of entities or businesses entities under common control and in the formation of joint ventures. Do you agree with the proposal? If not, why?

Yes, we agree that IFRIC 9 should continue to exclude from its scope combinations of entities under common control and formations of joint ventures until a comprehensive project is undertaken to consider the accounting in such transactions.

Question 2 – Effective date

The proposed amendment to IFRIC 9 would be effective for annual periods beginning on or after 1 July 2009 with prospective application, and would require an entity that applies IFRS 3 (revised 2008) for an earlier period to disclose that fact and apply the amendment to IFRIC 9.
Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2009 with prospective application? If not, why?

Yes, we agree that an effective date for this amendment should coincide with the application of IFRS 3 (revised 2008).

Proposed amendment to IFRIC 16 - *Hedges of a Net Investment in a Foreign Operation*

Question 1 – Removal of the restriction on the entity that can hold hedging instruments

The Board proposes to amend paragraph 14 of IFRIC 16 to remove the restriction on the entity that can hold hedging instruments. Do you agree with the proposal? If not, why?

We agree that a parent entity should be able to use a derivative held by the foreign operation being hedged as a hedge of the net investment in that foreign operation.

The amendment as currently drafted applies to both derivative and non-derivative instruments. We recommend that its application be limited to derivative instruments held by the foreign operation being hedged. A non-derivative financial instrument would only be an effective hedge of the net investment if it were issued by the foreign operation in its own functional currency and this would have no foreign currency impact on the profit and loss of the consolidated group. Consequently the rationale described in BC2 to support the amendment does not apply to non-derivative instruments.

Question 2 – Effective date

IFRIC 16 is effective for annual periods beginning on or after 1 October 2008 with prospective application. The Board concluded that this amendment should apply in the same way.

Do you agree that this amendment should apply for annual periods beginning on or after 1 October 2008 with prospective application? If not, why?

Yes, we agree that this change to IFRIC 16 should have the same effective date as the original interpretation.