

Sir David Tweedie
Chairman of the
International Accounting Standards Board
30 Cannon Street

London EC4M 6XH
United Kingdom

14 January 2009

542/575

Institut der Wirtschaftsprüfer
in Deutschland e.V.

Wirtschaftsprüferhaus
Tersteegenstraße 14
40474 Düsseldorf
Postfach 32 05 80
40420 Düsseldorf

TELEFONZENTRALE:
+49 (0) 211 / 45 61 - 0

FAX GESCHÄFTSLEITUNG:
+49 (0) 211 / 454 10 97

INTERNET:
www.idw.de

E-MAIL:
info@idw.de

BANKVERBINDUNG:
Deutsche Bank AG Düsseldorf
BLZ 300 700 10
Kto.-Nr. 7480 213

Dear Sir David

Re.: Exposure Draft: Investments in Debt Instruments – Proposed amendments to IFRS 7

In general, we appreciate that the IASB has taken a series of actions in response to the global financial crisis. Nevertheless, we reject the proposed additional disclosure requirements on the following grounds:

According to our understanding, those taking part in the public round-table meetings held by the Board and the FASB in 2008 demanded disaggregated information about impairment losses recognised for available-for-sale debt instruments only. They proposed a distinction between the incurred loss portion and the remainder of the fair value change (cp. ED Investments in Debt Instruments, BC2-4). However, the Board's proposals go well beyond these requests: The exposure draft requires additional disclosures for all investments in debt instruments other than those classified as at fair value through profit or loss.

In our opinion, such far-reaching amendments ought to be part of the IASB's more comprehensive and fundamental projects on financial instruments, to the extent that they are deemed necessary at all. In the context of these projects, the Board should examine whether each of the proposed amendments is needed, in particular, given the existing requirements of IFRS 7. In this regard, we would like to point to obvious redundancies, for example pertaining to the disclosures on the carrying amounts of financial assets currently required by IFRS 7.8 and on the fair value of financial assets according to IFRS 7.25.

GESCHÄFTSFÜHRENDER VORSTAND:
Prof. Dr. Klaus-Peter Naumann,
WP StB, Sprecher des Vorstands;
Dr. Klaus-Peter Feld, WP StB CPA;
Manfred Hamann, RA

page 2/2 to the comment letter ED Investments in Debt Instruments dated 14.01.2009 to Sir David Tweedie, London

Furthermore, we believe that there are still issues that need to be discussed in the context of the proposed amendments. For example, clarification as to the effects of hedge accounting on the proposed disclosures is needed.

In our view, applying the proposed amendments for annual periods ending on or after 15 December 2008 would be impracticable. The lead time, which would inevitably be needed to prepare for the implementation of the proposed requirements is no longer available. Moreover, as far as we are aware, none of the participants at the public round-table meetings called for disaggregation of the information on impairment losses recognised for available-for-sale debt instruments for the annual financial statements 2008.

In view of the comment period ending on the 15 January 2009, as well as the time required to review comment letters received and developing and publishing the revised IFRS 7, it will undoubtedly be issued too late for it to apply to most of the financial statements of the year 2008 anyway.

We would be pleased to answer any questions that you may have or discuss any aspect of this letter.

Yours sincerely

Klaus-Peter Naumann
Chief Executive Officer

Uwe Fieseler
Director International
Accounting