

Investments in Debt Instruments. Proposed amendments to IFRS 7. Exposure draft. Comments to be submitted by 15 Jan 2009.

15 Jan 2009/Hannu Schadéwitz

Question 1

The exposure draft proposes in paragraph 30A(a) to require entities to disclose the pre-tax profit or loss as though all investments in debt instruments (other than those classified as at fair value through profit or loss) had been (i) classified as at fair value through profit or loss and (ii) accounted for at amortised cost. Do you agree with that proposal? If not, why? What would you propose instead, and why?

=> I agree, the proposed disclosure will enhance the information value for users.

Question 2

The exposure draft proposes to require disclosing the pre-tax profit or loss amount that would have resulted under two alternative classification assumptions. Should reconciliations be required between profit or loss and the profit or loss that would have resulted under the two scenarios? If so, why and what level of detail should be required for such reconciliations?

=> Reconciliation would be informative for users. Probable some threshold would be good to add, in minor cases no requirement to reconcile but in more significant situations reconciliation would be good thing to require.

Question 3

The exposure draft proposes in paragraph 30A(b) to require entities to disclose for all investments in debt instruments (other than those classified as at fair value through profit or loss) a summary of the different measurement bases of these instruments that sets out (i) the measurement as in the statement of financial position, (ii) fair value and (iii) amortised cost. Do you agree with that proposal? If not, why? What would you propose instead, and why?

=> I agree, the proposed requirement gives wider information bases for users.

Question 5

Do you agree with the proposed effective date? If not, why? What would you propose instead, and why?

=> At the current state of affairs (financial crisis) it is important to act rapidly. I think that the proposed effective date is fine and gives enough preparation time.

Question 6

Are the transition requirements appropriate? If not, why? What would you propose instead, and why?

=> Those are fine taking into account the current urgent need for disclosures.

Sincerely,

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