

July 16, 2004

Annette Kimmit
Senior Project Manager
International Accounting Standards Board
30 Cannon Street, London EC4M 6XH,
United Kingdom

Re: Exposure Draft of Proposed Amendments to IFRS 3 Business
Combinations; Combinations by Contract Alone or Involving
Mutual Entities

Dear Ms. Kimmit:

The Accounting Principles and Auditing Standards Committee of the Florida Institute of Certified Public Accountants (the Committee) has reviewed and discussed the above referenced proposed accounting standard. As requested in the exposure draft, the Committee is responding to the two questions contained therein.

Question 1:

(A) The Board asked if removing business combinations involving two or more mutual entities from the scope exclusion of IFRS 3 is an appropriate interim solution. The Committee agrees that this is appropriate.

Additionally, the question asked if removing business combinations brought about by contract alone should be removed from the scope exclusion. The Committee feels this type of transaction does not meet the definition of a business combination. The Committee does not recommend any interim solution to this type of transaction.

(B) (I) The Committee agreed with this measurement of cost.

(ii) The Committee did not agree with this measurement because they believe that this transaction is not a business combination.

Question 2: The Committee agreed with the proposed transitional provisions.

The Committee appreciates the opportunity to share our views and concerns. Members of the Committee are available to discuss any questions you may have regarding this communication.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kathryn M. Means".

Kathryn M. Means, CPA
Chair

Committee members coordinating this response:

Kathryn M. Means, CPA
John Martinovich, CPA