

Annette Kimmit
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH

26 July 2004

Dear Ms Kimmit

Amendments to IFRS3: combinations by contract alone or involving mutual entities

The Association of Chartered Certified Accountants (ACCA) is pleased to have this opportunity to respond to the above Exposure Draft (ED). The document was considered at a recent meeting of ACCA's Financial Reporting Committee and I am writing to give you their views.

We support the proposed amendments.

Following the implementation of IFRS3, it would be better if IAS22 were removed entirely and not retained for the very few transactions of this kind that are likely to occur.

IASB is still considering further adaptations of IFRS3 for particular issues. In particular fresh start accounting may be appropriate to the accounting for many of the sorts of combinations covered by this ED. IASB needs to address this in the near future as potentially a superior solution for such cases.

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The Association of Chartered Certified Accountants



If there are any matters arising from the above that require further clarification please be in touch with me.

Yours sincerely

Richard Martin
Head of Financial Reporting