



26 Chapter Street,  
London,  
SW1P 4NP

Tel: 020 7663 5441

Fax: 020 8849 2468

[www.cimaglobal.com](http://www.cimaglobal.com)

Sandra Thompson  
Senior Project Manager,  
International Accounting Standards Board,  
30 Cannon Street,  
London EC4M 6XH  
E-mail: [CommentLetters@iasb.org](mailto:CommentLetters@iasb.org)

8 October 200

**CL 33**

Dear Ms Thompson,

**Amendments to IAS 39 Financial Instruments:**

**Cash Flow Hedge Accounting of Forecast Intragroup Transactions;  
Transition and Initial Recognition of Financial Assets & Financial Liabilities; and  
Financial Guarantee Contracts and Credit Insurance**

The Chartered Institute of Management Accountants (CIMA) is pleased to have the opportunity to comment on these consultations. CIMA is a global professional body representing accountants in business. CIMA represents over 62,000 members and 81,000 students in 154 countries. CIMA is committed to high quality, global, principle-based, neutral financial reporting standards and supports the widespread adoption of International Financial Reporting Standards.

As each of the above amendments relate to the same standard, we feel it most appropriate to make one combined response. Indeed we feel that there is a risk of confusion amongst the users of international standards resulting from the number of amendments to IAS 39 recently approved or being proposed. We recommend that a consolidated IAS 39 be published as soon as possible in a single volume, which incorporates all amendments.

We are generally supportive of the IASB proposals contained within the three exposure drafts.

Our single concern relates to the "Cash Flow Hedge Accounting of Forecast Intragroup Transactions" proposals. AG99A of IAS 39 restricts the designation, as the hedged item, of a highly probable forecast external transaction to one denominated in a currency other than the group's presentation currency. We believe that an exposure to gains and losses exists whenever a business unit has an exposure to a currency that is not the functional currency of that business unit. We do not agree that the determining factor is an exposure to a currency that is not the group's presentation currency.

We have no further comments on any of the exposure drafts and would be pleased to discuss with you any aspect of this letter that you may wish to raise with us.

Yours sincerely

*Nick Topazio*

*Jim Metcalf*

Nick Topazio  
Business & Financial Reporting Specialist,  
Financial Reporting Development Group  
CIMA  
London

Jim Metcalf  
Chairman of Financial Reporting Development Group  
CIMA  
London