



OICV-IOSCO

Organización Internacional de Comisiones de Valores  
International Organisation of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organizaçào Internacional das Comissões de Valore

July 6, 2009

Mr. Robert Garnett  
Chairman of IFRIC  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Via email to [ifric@iasb.org](mailto:ifric@iasb.org)

**RE: IAS 39 Financial Instruments: Recognition and Measurement – Meaning of  
'significant or prolonged'**

Dear IFRIC Members:

The International Organization of Securities Commissions (IOSCO) Standing Committee No. 1 on Multinational Disclosure and Accounting (Standing Committee No. 1) thanks you for the opportunity to provide our comments regarding IFRIC's tentative agenda decision regarding IAS 39 Financial Instruments: Recognition and Measurement – Meaning of "significant or prolonged".

IOSCO is supportive of the conclusion reached by IFRIC to reject the addition of this issue to the agenda. IOSCO agrees that further clarification of the standard is not advisable in light of the IASB's short term project to re-examine financial instrument accounting in general and impairment standards in particular. IOSCO also agrees that determining whether a decline in fair value is significant or prolonged under the current standard requires judgment based on the facts and circumstances; and that it is inappropriate to conclude that both a significant and prolonged decline are necessary to record an impairment given the decision by the IASB to use the "or" language in the standard.

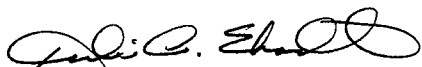
The IFRIC tentative decision notes that an entity would provide disclosure about the judgments it made in determining the existence of objective evidence of impairment in accordance with paragraph 122 of IAS 1. IOSCO fully supports this view as this kind of information is very important to users of the financial statements. However, given the reference made by IFRIC to the uniqueness of equity instruments, we believe it would be useful that IFRIC clarify the kind of disclosure it expects from entities. For example, a

Calle Oquendo 12  
28006 Madrid  
ESPAÑA  
Tel.: (34.91) 417.55.49 • Fax:  
(34.91) 555.93.68  
[mail@oicv.iosco.org](mailto:mail@oicv.iosco.org)  
• [www.iosco.org](http://www.iosco.org)

description of the policy and rationale behind the judgment, including underlying assumptions and criteria used, may achieve this objective.

I should be happy to discuss all or any of these issues further with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie A. Erhardt". The signature is fluid and cursive, with a large loop at the end.

Julie A. Erhardt

Chairman

IOSCO Standing Committee No. 1