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

April 17, 2006

D18 Comment Letters
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear IFRIC and Board Members:

The International Organization of Securities Commissions (IOSCO) Standing Committee No. 1 on Multinational Disclosure and Accounting (Standing Committee No. 1 or SC1) thanks you for the opportunity to provide our thoughts regarding the International Accounting Standards Board's International Financial Reporting Interpretations Committee (IFRIC) Draft Interpretation D18 *Interim Financial Reporting and Impairment*.

IOSCO is committed to promoting the integrity of international markets through promotion of high quality accounting standards, including rigorous application and enforcement. Members of Standing Committee No. 1 seek to further IOSCO's mission through thoughtful consideration of accounting and disclosure concerns and pursuit of improved transparency of global financial reporting. The comments we have provided herein reflect a general consensus among the members of Standing Committee No. 1 and are not intended to include all of the comments that might be provided by individual securities regulator members on behalf of their respective jurisdictions.

We support the IFRIC in its efforts to provide guidance on the interaction between the requirements of IAS 34 and the recognition of impairment losses on goodwill in IAS 36 and certain financial assets in IAS 39. However, we believe the interpretation lacks a clear conceptual basis. We think the Basis for Conclusions should address the conceptual merits of the IFRIC's interpretation and why it results in superior financial reporting as compared to the alternative views on this matter.

We believe that it is clear that the proposed Interpretation applies only to reversals of impairment losses of goodwill and investments in equity instruments and financial assets carried at cost. However, as discussed in paragraph BC8 of the Basis for Conclusions of the proposed Interpretation, we agree that there are other areas of potential conflict between IAS 34 and other standards. Although the interaction between IAS 34 and other standards appears to give rise to conflicts in the literature, it seems that the underlying source of these conflicts are the provisions of IAS 34, which supports both a discrete period

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approach and an integral period approach to interim financial reporting. As such, we believe the Board should add a project to its agenda to reconsider the requirements of IAS 34.

If you have any questions concerning our comments, please do not hesitate to contact me at (202) 551-5300.

Sincerely,



Scott A. Taub
Chairman
IOSCO Standing Committee No. 1