

To the editor of the Financial Times

By email

20<sup>th</sup> October 2008

Sir,

As users of accounts from across Europe we are very concerned by the prospect of the European Commission proposing further amendments to the accounting standards relating to the measurement of financial instruments. Given that the IASB has already amended the application of fair values, we believe that further changes, which go beyond aligning IFRS with US GAAP, risk severely undermining the confidence users have in the accounts produced by European companies.

The steps taken by the IASB may only be justifiable by the argument that they are necessary to align more closely the accounting treatment in Europe and the US. This approach of seeking consistency has already been reaffirmed in the recent communiqué from European leaders.

We would oppose any steps by the European Commission to undermine this position and diminish investor confidence in corporate reporting by establishing further carve-outs from IAS 39 or adopting its own standards. Now especially, investors need comparability and transparency, not further uncertainty and inconsistency.

Yours faithfully

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