

Mr Jurgen Tiedje
Head of Unit
Internal Market DG
European Commission
200 rue de la Loi
1049 Bruxelles

RE: IMPLICATIONS OF THE CARVE- OUT OF IAS 39

The intention of this letter is not to formulate any views as to the appropriateness of the carve-out solution agreed by the ARC on the above standard but to share the following concerns :

- although the carve-out of the fair value option for financial liabilities is presented as temporary, the eventuality of no agreement with the IASB being reached in time for adoption of the appropriate amendments in 2005 would leave some entities without any adequate accounting requirements in the situations for which the fair value option was intended;
- the SEC has not yet made public any decision as to the grant to the IFRS first-time adopters of the proposed exemption from two years of comparatives; many companies which are listed in the US are preparing their conversion process on the basis of the exemption being granted. The uncertainty surrounding the expected decision is becoming less and less bearable as the 2005 deadline approaches.

In view of these concerns, we would appreciate every action taken by the Commission in order to reduce or eliminate both the uncertainty and any undesirable outcome.

We are at your disposal should you wish to discuss this in more detail.

Yours truly,



Jérôme P. Chauvin
Director, Company Affairs Department