

22.7/8/1

29 July 2005

Sir David Tweedie
Chairman IASB
30 Cannon Street

London EC4M 6XH

THE SECRETARY GENERAL

Dear Sir David,

RE: IFRIC D12, D13, D14: SERVICE CONCESSIONS ARRANGEMENTS

IFRIC released earlier this year interpretations on Concessions which were welcomed by Industry as a positive step forward towards an appropriate accounting treatment on Concessions.

Nonetheless in the course of their discussions prior to the issuance of the draft interpretations, IFRIC has been obliged to depart from its analysis of the underlying economics of Concession contracts in order to comply with the existing standards.

UNICE is not in favour of accounting treatments which would not reflect the underlying economics of transactions. For our more detailed comments on service concessions arrangements, please find enclosed a letter we sent to EFRAG in May.

UNICE believes that IFRIC is faced with a situation very similar to the experience it had with emission rights. Constraints imposed by the interactions of standards make it impossible for IFRIC to come out with satisfactory interpretations.

We therefore urge the Board to define with IFRIC the appropriate course of action on Concessions. The Board must make whichever decision is needed in order to enable concessions to be represented faithfully in the financial statements of operators. Indeed, once issued, interpretations on Concessions need to be acceptable for adoption in the European Union.

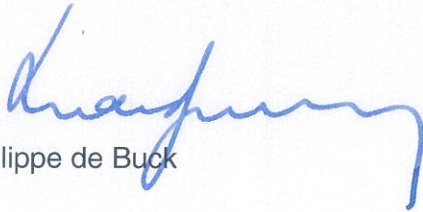
We also wish to remind the Board that due to delays incurred in the Concessions project, it is no longer reasonable to expect concession operators to adopt new accounting policies in their 2005 accounts. Most of European concession operators have been awaiting Concession interpretations to be issued in order to avoid successive changes in their accounting policies. Such successive changes would have led to additional costs incurred in conversion to IFRS as well as to even greater difficulties for users to assess the impacts of adopting IFRS. Transitional grandfathering of existing accounting policies is therefore needed, as has been expressed and requested by interested stakeholders in the recent past.

For all the reasons expressed above, we expect Concessions to be added to the Board's agenda at the earliest time possible.

Should you wish to comment on the above further, please do not hesitate to contact us.

Yours sincerely,

Best regards,



Philippe de Buck