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Commissioner Frits Bolkestein
European Commissioner for the Internal Market, Taxation and Customs Union
B - 1049 Brussels (Belgium)

By email to: Frits.Bolkestein@cec.eu.int.

11 June 2004

Dear Commissioner,

Support for Adoption of IAS 39: Financial Instruments: Recognition and Measurement

We have noted from the press that an important meeting is being held on Monday to plan the way forward on IAS 39 and that the European Banking Federation is opposing adoption of IAS 39 for EU purposes.

The Association of Corporate Treasurers (ACT) strongly supports the key principles of fair valuing in the standard, although we do have reservations about some of the details in the standard.

Nonetheless, we stand by our position previously communicated to the Commission that we support the adoption of IAS 39 as we believe that it is essential the EU adopt a relatively complete set of accounting standards. Perceived deficiencies with the IAS 39 are not at all sufficient to justify incomplete implementation of international standards in 2005 with the gaps that would result from a failure to adopt IAS 32/39.

We welcome the commitment of the IASB to engage in further review and consultation on IAS 39 and we look forward to participating in that process.

Yours sincerely,

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Deputy Head of Office, Commissioner Bolkestein

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Notes on The Association of Corporate Treasurers

The Association of Corporate Treasurers (ACT), based in London, England, was formed in 1979 to promote the study and best practice of finance and treasury management.

It has over 3,300 members and 1,200 students, working in corporate finance, risk, treasury and cash management in more than 40 countries, and as a professional body is the leading global provider of treasury education. The ACT participates on various government, regulatory and financial bodies ensuring it plays a pivotal role in contributing to, and commenting on, major policies and regulations to promote the collective interests of the treasury profession.