



DRSC e. V. • Zimmerstr. 30 • 10969 Berlin

Telefon +49 (0)30 206412-11

Telefax +49 (0)30 206412-15

E-Mail knorr@drsc.de

Sir David Tweedie  
Chairman of the  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Berlin, 20 April 2009

Dear David,

**Request for views on Proposed FASB Amendments on Fair Value Measurement and to Impairment Requirements for Certain Investments in Equity and Debt Securities**

On behalf of the German Accounting Standards Board (GASB) I am writing to comment on the request for views on Proposed FASB amendments to the US requirements on fair value measurement and impairment that the IASB issued on 20 March 2009. We appreciate the opportunity to comment on these issues.

First of all we like to point out that the following comments do not refer to the amendments as proposed by the FASB staff since these proposals were amended by the FASB on 2 April 2009. Accordingly, our comments refer to the final positions as issued by the FASB on 9 April 2009.

***FSP No. FAS 157-4 Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly***

We fully support the decisions made by the FASB in its Board meeting on 2 April 2009 when compared to the original proposal, affirming that even when the market for an asset is not active fair value is the price that would be received to sell the asset in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions (that is, in the inactive market). This is broadly consistent with IFRS guidance as set out in the final report of the Expert Advisory Panel issued in October 2008.



**FSP No. FAS 115-2, FAS 124-2 *Recognition and Presentation of Other-Than-Temporary Impairments***

We do not support adopting this FSP guidance for IFRS in a rush since hasty, piecemeal changes are not the appropriate approach to appropriately consider the impact of such changes within the IFRS impairment models that significantly differ from the US GAAP impairment models. Rather, we see the need to improve accounting requirements for financial instruments in a more comprehensive manner. In this respect, we support the intention of both the FASB and the IASB to undertake an accelerated joint project to replace their existing financial instruments standards with a common superior standard. While we see the need for acceleration of such project, we strongly believe that an appropriate due process is needed to ensure a globally accepted high quality accounting standard.

In our opinion the evaluation of an introduction of the FSP guidance into IFRS should then cover the following two questions:

- a) In the light of a to be developed realistic time schedule for the replacement of the existing financial instruments standards is it appropriate and necessary to change the existing standards and thus change the IFRS guidance on financial instruments twice in a limited time frame?
- b) Would the introduction of the FSP guidance into the IFRS financial instruments standards improve the accounting for financial instruments under IFRS?

Only if the IASB answers both questions affirmatively the FSP guidance should be introduced into IFRS.

If you would like to discuss our comments further, please do not hesitate to contact me.

Yours sincerely,

*Jochen Pape, Vice-President*

on behalf of

*Liesel Knorr*

*President*