

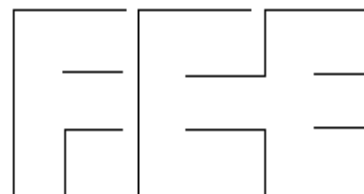
Date
19 March 2004

Le Président

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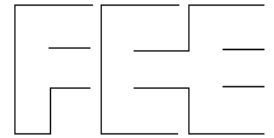
Dear Sir or Madam,

Re: Draft Accounting Interpretation No. 1 Waste Electrical and Electronic Equipment

FEE is pleased to provide comments on the draft accounting interpretation No. 1 on Waste Electrical and Electronic Equipment (WEEE). We support the conclusions reached by the German Accounting Interpretation Committee on the accounting issues arising from the adoption of the EU Directive 2002/96/EC on Waste Electrical and Electronic Equipment regarding the recognition of a provision in accordance with IAS 37.

We welcome the initiative of your Accounting Interpretations Committee (AIC) to provide guidance for the accounting treatment under IFRS arising from the EU Directive. We appreciate that AIC takes the initiative on this matter to meet urgent demands of its constituents on the application and interpretation of IAS 37 in this respect. However, we would not favour the issuance of formal "interpretations" by a national body like GASB, since IFRS are global standards and interpretations thereof should be made by IFRIC as a matter of principle. In case IFRIC is not able, due to its limited resources or otherwise, to deal with the question of whether, and if so when, producers and commercial users are required to recognise a provision in accordance with IAS 37 due to EU Directive on WEEE within a period of time being sufficient for preparers and auditors of financial statements, we appreciate that AIC takes the initiative to provide "guidance" on this urgent and important matter for certain industries. To avoid misunderstanding, the pronouncements of AIC could be named "guidance" rather than "interpretation". We appreciate that AIC provides such guidance of IFRS only until specific pronouncements are issued by IFRIC or IASB and that AIC works in close cooperation with IFRIC and corresponding bodies of other national standard setters.

We suggest that the issue be brought to the attention of IFRIC as the Directive will impact many entities in the European Union, and not just German companies, and urge IFRIC to consider the issue. (We are copying this letter to IFRIC and EFRAG for that purpose) It is our opinion that IFRIC should be the only body setting formal interpretations on IAS/IFRS and that European or national interpretations other than those of IFRIC are undesirable. Where a general problem has been identified in Europe, as it is the case for this Directive, it could be brought to the attention of IFRIC with a proposed solution. IFRIC should then decide whether or not to publish an interpretation. If not, for example or for time constraint, the proposed national interpretation should, in our opinion, be turned into application guidance issued by the national standard setter with proper coordination on European issues between national standard setters in Europe and presumably in consultation with EFRAG TEG. It would impair harmonisation and undermine the application of IFRS if each national standard setter in Europe would issue its own formal interpretation of IFRS, using slightly different wording or, even worse, reaching different conclusions.



Moreover we believe that the opinion should also be discussed in EFRAG TEG, since EFRAG could play a role in identifying issues arising from the European application of IFRS, which then should be passed on to IFRIC, with ideas or possible solutions for discussion.

At various instances, FEE has called on the IASB or IFRIC to develop criteria in order to distinguish interpretations from application guidance developed by other organisations for examples on purely national issues. IASB/IFRIC should articulate publicly what role they see for application guidance issued by third parties as opposed to their own interpretations. In the FEE discussion paper “European Enforcement Coordination” issued in November 2003, the term “interpretation” is defined as having the same authority as IASB Standards but “guidance” should not have the same authority. It should give an indication how certain national issues might best be treated.

We welcome and support the involvement of national standard setters in the development of guidance in cooperation with IFRIC and we encourage you to continue your cooperation work with them.

Yours sincerely,

David Devlin
President