



9 January 2012

Our ref: ICAEW Rep 04/12

Your ref: ED/2011/5

Mr Hans Hoogervorst
International Accounting Standards Board
30 Canon Street
London
EC4M 6XH

Dear Hans

Government Loans: Proposed amendments to IFRS 1

ICAEW welcomes the opportunity to comment on the Exposure Draft Government Loans: Proposed amendments to IFRS 1 published by the IASB in October 2011.

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We agree that an exception to the retrospective application of IFRSs on first adoption should be permitted for government loans with a below-market rate of interest. If an entity encounters difficulty in obtaining the information necessary to measure the fair value of such loans retrospectively we agree that they should be able to apply the requirement in IAS 20 prospectively to loans entered into on or after the date of transition to IFRSs. We therefore support the Exposure Draft.

Please do contact me should you wish to discuss this point in further detail.

Yours sincerely

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