



THE INSTITUTE
OF CHARTERED
ACCOUNTANTS
IN ENGLAND AND WALES

2 March 2009

Our ref: ICAEW Rep 22/09

Your ref:

The International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

By web submission

Dear Sir

PROPOSED AMENDMENTS TO IFRIC 9 AND IFRIC 16

The Institute of Chartered Accountants in England and Wales (the ICAEW) welcomes the opportunity to comment on the exposure draft ED/2009/1 *Post-implementation Revisions to IFRIC Interpretations - Proposed amendments to IFRIC 9 and IFRIC 16* published by the International Accounting Standards Board in January 2009.

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PROPOSED AMENDMENT TO IFRIC 9 REASSESSMENT OF EMBEDDED DERIVATIVES

Question 1 – Amendment arising from IFRS 3 (as revised in 2008)

The Board proposes to amend paragraph 5 of IFRIC 9 to exclude from its scope embedded derivatives in contracts acquired in combinations of entities or business entities under common control and in the formation of joint ventures. Do you agree with the proposal? If not, why?

We agree.

Question 2 – Effective date

The proposed amendment to IFRIC 9 would be effective for annual periods beginning on or after 1 July 2009 with prospective application, and would require an entity that applies IFRS 3 (revised 2008) for an earlier period to disclose that fact and apply the amendment to IFRIC 9. Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2009 with prospective application? If not, why?

We agree and note that the amendment is applicable where an entity early adopts IFRS 3 (revised 2008).

PROPOSED AMENDMENT TO IFRIC 16 *HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION*

Question 1 – Removal of the restriction on the entity that can hold hedging instruments

The Board proposes to amend paragraph 14 of IFRIC 16 to remove the restriction on the entity that can hold hedging instruments. Do you agree with the proposal? If not, why?

We agree with the proposal.

Question 2 – Effective date

IFRIC 16 is effective for annual periods beginning on or after 1 October 2008 with prospective application. The Board concluded that this amendment should apply in the same way. Do you agree that this amendment should apply for annual periods beginning on or after 1 October 2008 with prospective application? If not, why?

We agree. However, we note that hedge accounting requires appropriate documentation to be in place, so some entities will not be able to apply the amendment to periods before it is issued.

Please contact me should you wish to discuss any of the points raised in this response.

Yours faithfully



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