

FINAL DRAFT (2)

International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH
United Kingdom

xx October 2011

Submitted via the "Comment on a proposal" page at www.ifrs.org

IASB ED/20011/2 –Improvements to IFRSs (Proposed amendments to International Financial Standards)

Dear Sirs

I am writing on behalf of AFME (the Association for Financial Markets in Europe) to respond to the IASB's June Exposure Draft ED/20011/2 – Improvements to IFRSs (the "ED"). AFME is, as you know, the leading European trade association for firms active in investment banking and securities trading; it was established in 2009 as a result of the merger of LIBA (the London Investment Banking Association) and the European Branch of SIFMA (the US-based Securities Industry and Financial Markets Association), and thus represents the shared interests of a broad range of participants in the wholesale financial markets. We are grateful for the opportunity to comment on this ED.

You will see that we have restricted the comments set out below to those amendments that most significantly affect our members.

IAS 1 Presentation of Financial Statements

We support the Board's proposed clarification of the requirements for providing comparative information, which we believe is an area currently subject to differing interpretation. We agree with the effective date and support the ability to early adopt this clarification.

IAS 32 Financial Instruments: Presentation

We support the Board's objective of removing a potential inconsistency between IAS 12 and IAS 32 regarding the recognition of income tax relating both to distributions to holders of an equity instrument and to transaction costs of an equity transaction. We also support the proposed amendment, and agree with the proposed effective date for this amendment and the proposal to allow entities to early adopt this change. We would however note that IAS 12 is unclear and potentially not internally consistent on the

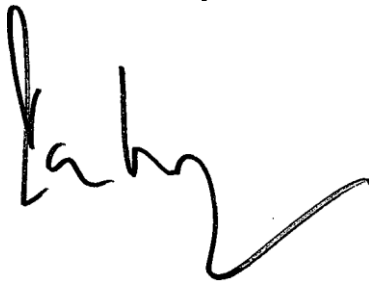
treatment of dividends: Paragraph 52B states that the income tax consequences of dividends should be recognised in profit or loss and downplays the link to distributions to owners, while Paragraph 58 appears to emphasise the link between the transaction (in this case an equity transaction) and the tax. We believe the standard should be clarified to remove any uncertainty in this area.

IAS 34 Interim Financial Reporting

We support the proposed amendment. The requirements for segmental disclosure in interim reports should be fully aligned with the requirements in IFRS 8.

I hope the above comments are helpful. We would of course, as always, be pleased to discuss any points which you may find unclear, or where you believe AFME members might be able to assist in other ways.

Yours faithfully



Ian Harrison
Managing Director
Direct phone: 020 7743 9349
Email: ian.harrison@afme.eu