

26 July 2012

Wayne Upton, Chairman
IFRS Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr. Upton,

Re: IAS 39 Financial Instruments: *Recognition and Measurement* — Accounting for different aspects of restructuring Greek government bonds

On behalf of the European Financial Reporting Advisory Group (EFRAG), I am writing to comment on the IFRS Interpretations Committee's (Interpretations Committee) tentative decision not to proceed with the agenda item on a request for guidance to clarify the circumstances in which the restructuring of Greek government bonds should result in derecognition of the whole asset, or only part of it, in accordance with IAS 39.

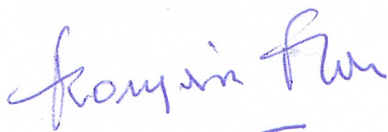
This letter is submitted in EFRAG's capacity of contributing to the Interpretations Committee's due process.

We agree with the Interpretations Committee's conclusion that the old Greek government bonds should be derecognised in their entirety (since their terms and conditions are substantially different compared to those of the new Greek government bonds). We therefore support the Interpretations Committee's tentative decision not to add the issue to its agenda.

However, we believe that it would be helpful if the standards explicitly dealt with debt restructurings more generally, which would be particularly relevant in the light of the current financial crisis. In this respect we note the absence of certain definitions that are critical for the derecognition assessment process, and the lack of an explicit discussion in IAS 39 of when a modification of a financial asset (or exchange of debt instruments) results in derecognition. Therefore, we suggest that the Interpretations Committee recommend to the IASB that accounting for debt restructurings and modifications be addressed as part of the finalisation of IFRS 9 *Financial Instruments*.

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

Yours sincerely,



Françoise Flores
EFRAG Chairman