

To: Mr Comporti
Secretary General
CESR - Committee of European Securities Regulators
11 – 13 avenue de Friedland
75008 Paris
France
E-mail: ccomporti@cesr.eu

Subject: Draft Statement on Fair Value Measurement and Related Disclosures

Brussels, 12 September 2008

Dear Mr Comporti,

The CEA is committed to be an active contributor to the CESR work on fair value. Hence, CEA (represented by Jacques Le Douit) took part to the workshop CESR organised on fair value accounting on 20 May. We are pleased to note that some of the key points raised by CEA at that workshop were taken into account. Those points are mainly:

- Reasonable judgement should be left for preparers and auditors when they assess if markets are liquid and if observed prices reflect fair market prices and when they assess which additional disclosures are needed
- Disclosures are very important but no appetite for harmonization format of disclosures

Similarly, please find below the CEA's comments on the CESR "Draft Statement on Fair Value Measurement and Related Disclosures":

Process

We understand that CESR's statement on fair value is made in CESR members' capacity as securities regulators. We note that CESR acknowledges that it is not their role to issue IFRSs and interpretation of IFRSs, as this is solely the role of the IASB and IFRIC. We welcome this acknowledgement from CESR and fully agree since we believe it is essential to have global IFRSs and avoid European interpretation of IFRSs not applicable outside of Europe. This will be even more important in the future as more and more jurisdictions start allowing/requiring IFRS as the reporting GAAP for general purpose financial statements.

Some of the members of CEA are also global players with significant activities in the US. Therefore, we welcomed the decision of the SEC to drop the reconciliation between US GAAP and IFRS for foreign issuers whose main GAAP is IFRS. This decision only applies to IFRS as developed by the IASB and not 'EU IFRS'.

Content

We generally welcome the CESR discussions on the issues associated with identification of active and non-active markets and on the use of valuation techniques, as contributions to the IASB's current deliberations on these issues. We note that the IASB is giving due priority to this work.

As for CESR comments on disclosures, we believe that CESR draft statement on disclosures contains additional requirement which go beyond the requirement of IFRS 7. For the reasons expressed above in this document, we do not favour the development of additional rules related to IFRS which would only apply in Europe.

In addition, with IFRS in force since 2005, European companies have been obliged to develop extensively their systems in order to gather and present the numerous new disclosure requirements. If additional disclosure requirements were to be introduced again in the near future, systems may need to be again updated to produce the new information. The cost benefit of these additional requirements is uncertain.

Finally we would like to point out that companies and auditors often decide to provide additional non-required disclosures when those are deemed useful for the users.

Yours sincerely,



Isabella Pfaller
Chairman CEA Accounting Steering Group