

The Committee of European Securities Regulators
11-13 Avenue de Friedland
75008 PARIS
FRANCE

23 September 2008

Dear Sirs

DRAFT CESR Statement: Fair value measurement and related disclosures of financial Instruments in illiquid markets

We are pleased to respond to the questions posed in CESR's Consultation Paper (CP) of July 2008 on the above topic.

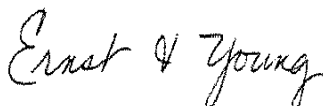
In our view, the CP contains helpful suggestions to assist preparers of financial statements to comply more effectively and consistently with the requirements of IFRS in this area, given the recent illiquidity in many financial markets. However, knowing that the IASB is preparing guidance on the same topic, based on discussions with its Expert Advisory Panel, we do not think it would be appropriate or useful to have different sets of guidance dealing with the same topic. This is likely to be inefficient for all concerned and risks creating confusion amongst constituents. We, do however, believe that CESR should respond to the IASB's proposals based on the contents of this CP.

Once the IASB has finalised its guidance it may be helpful for CESR to issue guidance to regulators as to how it believes the guidance should be applied. As a general observation we are concerned that the recent credit crunch has produced considerable activity by a number of stakeholders and interested parties. It is not clear to us that this activity has been coordinated, potentially leading to duplication of effort. We believe that CESR should play a leading part in ensuring that in the future, responses are coordinated.

We therefore have not responded to the specific questions raised in the CP, but will instead be responding to the document that the IASB has issued from discussions with its Expert Advisory Panel. We would encourage CESR to support the IASB efforts and respond to the document that it issues rather than continue and issue a separate Statement on this topic.

If you would like to discuss further any of the comments in this letter, please contact either Anthony Clifford on +44 207 951 2250, Robert McCracken on +44 207 951 2026 or Michiel van der Lof on +31 88 407 1030.

Yours faithfully

A handwritten signature in cursive script that reads 'Ernst & Young'.