



International Accounting Standards Board
30 Cannon Street
London
To: commentletters@iasb.org

29 December, 2009.

Exposure Draft: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters: Proposed amendment to IFRS 1
Deadline: 29 December 2009

Dear Sir,

Brazilian Accounting Pronouncements Committee (CPC)¹ is pleased to offer our comments on International Accounting Standards Board (IASB) in respect to Exposure Draft: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters: Proposed amendment to IFRS 1.

Please see our comments and responses to the Invitation to Comment questions in the Appendix.

If you have any question on our comments, please contact our Board Member, **Geraldo Toffanello** (geraldtoffanello@gerdau.com.br).

Yours sincerely,

Edison Arisa Pereira

Technical Coordinator

Brazilian Accounting Pronouncements Committee (CPC)

¹ The CPC was founded by ABRASCA (Brazilian Listed Companies Association), APIMEC (National Capital Market Investment Professionals and Analysts Association), BMFBOVESPA (São Paulo Stock Exchange), CFC (Federal Accounting Council), FIPECAFI (Financial and Accounting Research Institute Foundation) and IBRACON (Brazilian Institute of Independent Auditors), with the objective of the study, preparation, and issuance of Technical Pronouncements on Accounting procedures.

Question 1 – Consistent disclosure transition provisions

The Board proposes to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters consistent with the transition provisions in paragraph 44G of IFRS 7 *Financial Instruments: Disclosures*. Do you agree with the proposal? If not, why?

Yes. The proposal is very helpful because it gives the option to first-time adopters to apply the transitional provisions of paragraph 44G of IFRS 7 to the extent that the entity's first IFRS reporting period starts earlier than 1 January 2010. The process of convergence to IFRS is sometimes demanding and this exemption of comparative IFRS 7 disclosures will reduce the quantity of information that has to be prepared in the process of convergence to IFRS, without reducing the level of information that is important for the readers of financial statements.

Question 2 – Effective date

The proposed amendment to IFRS 1 would be effective for annual periods beginning on or after 1 July 2010 with early application permitted. Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption permitted? If not, why?

Yes. This date will be very helpful for first-time adopters, because it will reduce some complexity in gathering information and preparing disclosure in the process of convergence and at the same time it will not represent a lack of disclosure, since first time adopters have to provide detailed disclosures about the convergence process as a whole.