

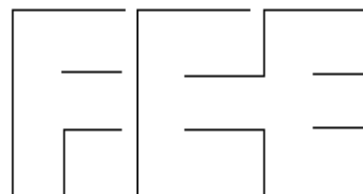
Date
6 July 2006

Le Président

Fédération
des Experts
Comptables
Européens
AISBL

Avenue d'Auderghem 22-28
1040 Bruxelles
Tél. 32 (0) 2 285 40 85
Fax: 32 (0) 2 231 11 12
E-mail: secretariat@fee.be

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street, 1st floor
GB – LONDON EC4M 6XH



Email: commentletters@iasb.org

Dear Sir David,

Re: IASB Exposure Draft of Proposed Amendments to IFRS 2 *Share-based Payment: Vesting Conditions and Cancellations*

FEE (Fédération des Experts Comptables Européens, European Federation of Accountants) is pleased to submit its comments on IASB Exposure Draft of Proposed Amendments to IFRS 2. FEE as a founding organisation of EFRAG has also contributed to the EFRAG consultation process by submitting our views on their preliminary comments. We refer to the EFRAG comments (letter of 22 June 2006) where we are in agreement with their comments; where we are in disagreement our own views are put forward. We apologise for the late submission.

We support the proposals to amend IFRS 2 to define vesting conditions and clarify the accounting treatment of cancellations by parties other than the entity.

Question 1 – Vesting conditions

The Exposure Draft proposes that vesting conditions should be restricted to performance conditions and service conditions. Do you agree? If not, what changes do you propose, and why?

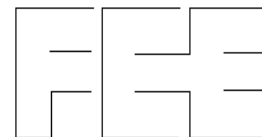
We agree with EFRAG's comments and support the IASB proposal to clarify that vesting conditions should be restricted to performance conditions and service conditions.

Question 2 – Cancellations

The Exposure Draft proposes that cancellations by parties other than the entity should be accounted for in the same way as cancellations by the entity.

Do you agree that all cancellations should be treated in the same way? If not, please specify the nature of any differences between types of cancellations and explain how they influence the selection of appropriate accounting requirements.

We support the IASB proposal to account for all cancellations in the same way and, therefore, do not share EFRAG's concerns. We believe that in practice it is not possible to distinguish between a cancellation initiated by the employer and one caused by the employee's action. In our opinion when, for example, an employee ceases to contribute to a savings plan the amount that would have been recognized over the remaining vesting period should be recognized immediately. There is no link between the future services to be received from that employee and the cancelled plan. In the absence of such link continuing the prior recognition process is inappropriate. We favor the treatment (d) in BC 8 and concur with the arguments in the Basis for Conclusions.



Question 3 – Effective date and transition

The proposed changes would apply to periods beginning on or after 1 January 2007, and would be required to be applied retrospectively. Earlier application would be encouraged.

We agree with the effective date and transitional requirement of retrospective application of the proposed amendments.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Devlin', written in a cursive style.

David Devlin
President