



Ms Saskia Slomp
FEE
Avenue d'Auderghem 22-28
1040 Brussels
Belgium

31 August 2005

**Subjects: Discussion Paper on Comfort Letters Issued in relation to Financial Information
in a Prospectus**

Dear Ms. Slomp,

Please find below our comments and responses to the questions raised in the Discussion Paper.

Issue for Discussion 1:

The preferred reporting model is the second one as the reader has to draw their own conclusion and no assurance is expressed.

Issue for Discussion 2:

The auditor should only issue a comfort letter to the underwriter provided the underwriters have signed the engagement letter.

Issue for Discussion 3:

The issuance of a comfort letter does not create a different level of information.

Issue for Discussion 4:

If allowed by national legislation the issuer, being the auditor's client, should relieve the auditor of his professional secrecy in all cases, if at all possible.

Issue for Discussion 5:

The auditor can issue a comfort letter to the underwriters or other parties to the transaction that have a "due diligence defence" and that request such involvement as part of their own reasonable investigation and not as a substitute for their due diligence responsibility. Other parties to the transaction need to sign the engagement letter as well.

Issue for Discussion 6:

An audit base is always possible but may not be always required depending on the level of comfort provided.

Issue for Discussion 7:

No explicit independence requirements should be introduced.

Issue for Discussion 8:

Any interim financial information published has to be put into the prospectus. If the interim financial information has been reviewed the review report must be also be put into the prospectus.

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Issue for Discussion 9:

Unless the procedures of a review (ISRE 2400) are applied through the date of a prospectus the auditor cannot give assurance.

We agree that any review or audit carried out for the purposes of providing comfort should lead to the auditor's assurance engagement being included in the prospectus together with the interim financial information that is being reported on.

Issue for Discussion 10:

- Management reporting includes at least an income statement and a balance sheet which have been prepared under IFRS;
- The figures included in the management reporting are derived from and in agreement with the underlying accounting records:

Issue for Discussion 11:

We agree with the statement.

We hope that you find the above comments helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read "Panayiotis Peleties".

Panayiotis Peleties
Chairman
Auditing Standards Committee