



February 27, 2007

Mr. Robert H. Herz, Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, Connecticut 06856-5116

Sir David Tweedie, Chairman  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH, United Kingdom

**Subject: Reporting Discontinued Operations**

Dear Mr. Robert Herz and Sir David Tweedie:

We understand that the FASB and IASB have tentatively agreed to a harmonized definition of discontinued operations where the disposal of a component(s) of an entity would be reported in the discontinued operations section of the financial statements only if that component(s) represents an operating segment, as defined in FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

We also understand that the National Association of Real Estate Investment Trusts (NAREIT) has requested that the FASB and IASB complete the due process with respect to the conclusions reached on the harmonized definition of discontinued operations as a separate project rather than to incorporate these conclusions in the Financial Statement Presentation project.

We have reviewed NAREIT's February 23, 2007 letter to you and urge the FASB and IASB to consider NAREIT's request such that the harmonized definition of discontinued operations be applied as early as possible.

Real Property Association of Canada (REALpac)

REALpac is the representative voice for Canada's real estate investment and development industry. Our members include publicly traded real estate companies, real estate investment trusts (REITs), private companies, pension funds, banks and life insurance companies with investment real estate assets each in excess of C\$100 million.

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REALpac strongly supports the global harmonization of accounting standards. This is consistent with The Accounting Standards Board of Canada (AcSB) which has set a strategic direction to converge Canadian GAAP with IFRS for publicly accountable Canadian enterprises by approximately January 1, 2011 (per the AcSB's Strategic Plan *Accounting Standards in Canada: New Directions*, approved in March 2006). To that end, REALpac is working closely with NAREIT and other real estate organizations around the world to develop global real estate industry consensus on accounting standards and reporting best practices.

If you wish to discuss this matter further, please do not hesitate to contact us.

Respectfully submitted,



Michael Brooks,  
Executive Director, REALpac



Teresa Neto  
Director, Financial Reporting, REALpac

c.c.      Paul Cherry, Chair, AcSB  
            Peter Martin, Director, AcSB  
            George Yungmann, NAREIT