



08 April 2011

Ref: 11/40

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

Dear Sir David

The International Association of Insurance Supervisors (IAIS) welcomes the opportunity to comment on the IASB's *Exposure Draft on Offsetting Financial Assets and Financial Liabilities*.

The IAIS is supportive of the IASB's proposed offsetting criteria. In particular, the IAIS notes that the proposals do not appear to represent much change from the current requirements in IAS 32, which have worked well in practice and are appropriate in terms of their robustness and the quality of information they provide.

In addition, the IAIS is generally supportive of the proposed disclosure requirements. The proposed disclosures, if clearly presented, should help comparability across firms and use of the tabular format may help users to understand the information more clearly than would be the case for more dispersed and discursive disclosure. However, we note that the proposals represent an increase in the level of disclosure currently provided by preparers and, as such, the IAIS encourages the Board to ensure that the increase in disclosure provides real added-value for users. Consistency with IFRS 7 is also encouraged.

On the issue of effective dates and transition, the IAIS is supportive of the Board's proposal that the requirements be applied retrospectively.

If there is any way in which the IAIS can assist the IASB further, please do not hesitate to contact Richard Thorpe, Chair of the IAIS Accounting and Auditing Issues Subcommittee (tel: +44 (0) 20 7066 3160; email: richard.thorpe@fsa.gov.uk), Rob Esson, Chair of the IAIS Insurance Contracts Subcommittee (tel: +1 816 783 8131; email: resson@naic.org) or Peter Windsor at the IAIS Secretariat (tel: +41 61 280 9196; email: peter.windsor@bis.org).

Yours faithfully

Peter Braumüller
Chairman, Executive Committee

Monica Mächler
Chair, Technical Committee