

**Organismo Italiano di Contabilità – OIC (The Italian
standard setter)**

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Mr. Johan van Helleman
EFRAG, Chairman
Avenue des Arts 41
B - 1040 Brussels

31 March, 2004

Re : IFRS Draft for comments: Adoption of IFRS 2 Share -based Payment

Dear Mr. van Helleman ,

We are pleased to provide our comments on the draft, dealing with *Adoption of IFRS 2 Share-based Payment*.

It is our view that IFRS2 is an improvement over the Exposure Draft. In particular, because the final standard does not require any adjustment to the fair value of the instrument granted in order to reflect vesting conditions at the measurement date (the ED did instead require such adjustment and this was criticized by us) and does instead require an adjustment to the number of the instrument granted in order to reflect vesting conditions (the so called “trued up” which was suggested by us commenting the ED).

In conclusion, we believe that the new standard is simpler, more understandable and better reflect the substance of the underlying transaction. We therefore recommend EFRAG to recommend the adoption of this standard.

Yours sincerely,

Prof. Angelo Provasoli
(OIC – Chairman)