

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

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Mr. Johan van Helleman
EFRAG, Chairman
Avenue des Arts 41
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18 february, 2004

**Re : IFRIC Draft Interpretation D4 Decommissioning, Restoration and Environmental
Rehabilitation Funds.**

Dear Johan,

We are pleased to inform you that the Executive Committee of the OIC (“Comitato Esecutivo”) has examined the view stated by EFRAG on the “*IFRIC Draft Interpretation D4 Decommissioning, Restoration and Environmental Rehabilitation Funds*”.

We support the issuance of an Ifric Interpretation of these changes to avoid inconsistencies developing in practice.

We agree with the comments expressed by EFRAG.

In particular, the OIC believes that the D4 approach is consistent with the philosophy of international accounting standars. We support the proposed approached because is easy in the application end rigorous in the theory.

Yours sincerely,

Prof. Angelo Provasoli
(OIC – Chairman)

cc: Paul Rutteman

XX March, 2004

Kevin Stevenson
Chairman IFRIC
30 Cannon Street
London EC4M 6XH
UK

DRAFT FOR COMMENTS by 8 MARCH 2004

Dear Kevin,

Re: IFRIC Draft Interpretation D4 *Decommissioning, Restoration and Environmental Rehabilitation Funds*

On behalf of the European Financial Reporting Advisory Group (EFRAG) I am writing to comment on the draft of the IFRIC Interpretation D4 *Decommissioning, Restoration and Environmental Rehabilitation Funds* ("D4"). This letter is submitted in EFRAG's role of contributing to IASB's and IFRIC's due process and does not necessarily indicate the conclusions that would be reached in its capacity of advising the European Commission on endorsement of the definitive IFRIC on the issue.

We support the objective of the draft interpretation to provide guidance on (i) how a contributor should account for its interest in a decommissioning fund and (ii) when a contributor has an obligation to make additional contributions, for example, in the event of the bankruptcy of another contributor, how that obligation should be accounted for.

In particular, we support IFRIC's proposal that while the rights to receive reimbursement may qualify as financial assets, they would be scoped out of IAS 39 *Financial Instruments: Recognition and Measurement* so that all such rights to reimbursement are within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. We agree with IFRIC that the proposed approach will provide more relevant and reliable information to a user of the financial statements and will be more straightforward to apply.

If you would like further clarification of the points raised in this letter, Paul Rutteman or myself would be happy to discuss these further with you.

Yours sincerely

Johan van Helleman
EFRAG, Chairman