



SAS Quadra 05. Bloco J. CFC
Brasília, Distrito Federal – Brazil
www.cpc.org.br

January 5th, 2012

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

RE: Exposure Draft on Government Loans (proposed amendments to IFRS 1)

Dear Board Members,

The “Comitê de Pronunciamentos Contábeis” - CPC¹ welcomes the opportunity to comment on the Exposure Draft named *Government Loans (proposed amendments to IFRS 1)*.

This response summarizes the views of our members, which may be supported by the opinions of external parties, sent to us for analysis and to enhance the discussion on the subject matter. We have also made efforts to encourage other external parties to send comments directly to the IASB.

As a general comment we would like to declare our support to Board’s proposal to amend IFRS 1 adding an exception to first-time adopters whom have government loans with a below-market rate of interest apply requirements in IAS 20 prospectively to loans entered into or after the date of transition to IFRS.

We also support the option to apply these requirements to a government loans retrospectively if an entity obtained the information necessary to measure the fair value reliably.

If you have any questions about our comments, please contact Mr. Idésio da Silva Coelho Júnior (Idesio.S.Coelho@br.ey.com), coordinator of a working group constituted to study any proposal-stage literature issued by the IASB.

Yours sincerely,

Edison Arisa Pereira
Technical Coordinator
Comitê de Pronunciamentos Contábeis (CPC)

¹ The Brazilian Accounting Pronouncements Committee (CPC) is a standard-setting body engaged in the study, development and issuance of accounting standards, interpretations and guidances for Brazilian companies. Our members are nominated by the following entities: ABRASCA (Brazilian Listed Companies Association), APIMEC (National Association of Capital Market Investment Professionals and Analysts), BMFBOVESPA (Brazilian Stock Exchange and Mercantile & Future Exchange), CFC (Federal Accounting Council), FIPECAFI (Financial and Accounting Research Institute Foundation) and IBRACON (Brazilian Institute of Independent Auditors).