



**The Japanese Institute of
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October 19, 2007

International Accounting Standards Board
30 Cannon Street
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**Comments on IFRIC draft interpretation D22
“Hedges of a Net Investment in a Foreign Operation”**

To the Board Members:

The Japanese Institute of Certified Public Accountants is pleased to comment on IFRIC draft interpretation D22 “Hedges of a Net Investment in a Foreign Operation”.

We basically agree with the proposals in the draft, but we consider that clarification is necessary with regard to the following points:

- The ground for the exception phrase in paragraph 12, “(except the foreign operation that itself is being hedged)”, is not clear.
- Paragraph 16 provides that an entity is not required to comply with the requirements specified in IAS 8 for a change in accounting policy. However, it is not clear how to apply this draft prospectively; for example, whether the change would be accounted for as discontinuance of hedge accounting.

We believe that “Entity A” in IE14 of Illustrative Examples is an error and should be replaced by “Entity C”.

Yours faithfully,

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Executive Board Member - Accounting Standards
The Japanese Institute of Certified Public Accountants