

European Commission  
DG Internal Market and Services  
Ms. Angel Monzon and Mr. Philippe Bui  
Accounting Unit F3  
B-1049  
Brussels

25 January 2008

Dear Madam / Sir

### **Endorsement of IAS 23 *Borrowing Costs***

We are responding to your invitation to comment on the above questionnaire on behalf of PricewaterhouseCoopers.

Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of member firms who commented on the questionnaire. 'PricewaterhouseCoopers' refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

### **Overall comments**

We believe it is essential to have a single set of high-quality global standards, so as to enhance comparability of information across territories, industries and companies. That is, we do not, as a matter of principle, support divergence between EU-endorsed IFRS and IFRS as issued by the IASB.

In addition, we continue to support the broad convergence strategy of the IASB and FASB. We did not support the originally proposed amendments to IAS 23 *Borrowing Costs*, the reasons for which were set out in our comment letter to the IASB. However, the IASB has completed its due process and issued IAS 23 (revised). Although technical differences will remain between IAS 23 (revised) and SFAS 34, IAS 23 (revised) eliminates, in substance, significant differences with SFAS 34. Consequently, endorsement of IAS 23 (revised) in the EU will broadly converge the accounting for borrowing costs between IFRS and US GAAP.

On both general and specific grounds, therefore, we support endorsement of IAS 23 (revised).

oooOOOOooo

If you have any questions in relation to this letter please do not hesitate to contact Richard Keys (+44 20 7212 4555) or Mary Dolson (+44 20 7804 2930).

Yours faithfully

PricewaterhouseCoopers LLP