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IASB
30 Cannon Street
London E14 6XH
UK

Tower 42
25 Old Broad Street
London EC2N 1HQ
United Kingdom
t + 44 (0) 20 7382 1770
f + 44 (0) 20 7382 1771
www.eba.europa.eu

Dear Madam, dear Sir

IASB Exposure Draft ED/2011/4 Investment Entities

The European Banking Authority (EBA), which has come into being as of 1 January 2011 as per Regulation (EU) 1093/2010, welcomes the opportunity to comment on the IASB's Exposure Draft ED/2011/4 Investment entities.

The EBA has a strong interest in promoting sound and high quality accounting and disclosure standards for the banking and financial industry, as well as transparent and comparable financial statements that would strengthen market discipline.

The EBA supports the proposals set out in this Exposure draft. In particular, the EBA supports the IASB's position that a parent of an investment entity, in its consolidated financial statements, should not retain the fair value accounting that is applied by its investment entity subsidiary to controlled entities, unless the parent qualifies as an investment entity itself.

If you have any questions regarding our comments, please feel free to contact Mr. Colinet (+ 32.2.220.5247) in his capacity as Chairman of the technical group that coordinated this comment letter.

Yours sincerely,



Andrea Enria
Chair, European Banking Authority