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 Chairman - IAS Board  
 30 Cannon Street  
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**Letter of Comment No: 136**  
**File Reference: 1204-001**

## **AMENDMENTS TO "IFRS 3 – BUSINESS COMBINATIONS.**

Refiascoop is an auxiliary organization of the colombian co-operative movement with more than 10 years of life. It's specialize in the providing of services related with accounting sciences. Nowadays, we provide services of External audit., Fiscal Inspection, accounting outsourcing and Business consultancy to more than 100 mutual and co-operative entities, from various economic sectors like finacial, workers and services, these entities as well group over 50.000 members from different places of the national territory.

Next you could read our comments for the exclusion of the mutual and cooperative entities of the IFRS 3.

We request the definitive exclusion of cooperatives and mutuals from IFRS3 (on which there is a wide consensus within the cooperative movement already as we saw in the consultation last year) and, instead, the utilization of the "pooling of interest" method; technical arguments can be found in last year's communications and in section 2 of this document. Furthermore, after the request for exclusion last year by 78,8% of all respondents, the due process has not been really complied with.

We strongly emphasize that cooperatives and mutuals do not correspond to the concept of "mutual entities" as described along the exposure draft, nor with the wider concept of "profit oriented entities" which exclusively includes conventional enterprises and "mutual entities", and therefore requests that the internationally-agreed distinctive characteristics of cooperatives and mutuals be clearly recognized.

We underline the fact that the technical knowledge is still lacking and the need of rethinking a distinctive accounting category for cooperatives, as described in ILO Recommendation 193. This category could be common with mutuals provided that the differences between the two models are explicitly clarified, and provided that this common category is clearly different from the present "mutual entity" concept.

We propose the establishment of a specific working group on this topic with the participation of experts on accounting specialised in cooperatives and mutuals from around the world.

We believe that in the IASB proposed definition of mutual entity, the concept is unclear in its boundaries between mutuals and cooperatives, mixing different business structures. Beyond that, the description of "mutual entity" that emerges along the text does not fit with what cooperatives and mutuals are and how they have been internationally defined.

Best Regards

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 Manager  
 REFIASCOOP