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January 7, 2005

Director, TA&I - FSP
Financial Accounting Standards Board
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Letter of Comment No: 1
File Reference: FSP8524A

Proposed FASB Staff Position EITF Issue No. 85-24-a – Application of EITF Issue No. 85-24, “Distribution Fees by Distributors of Mutual Funds That Do Not Have a Front-End Sales Charge,” When Cash for the Right to Future Distribution Fees for Shares Previously Sold Is Received from Third Parties

AMVESCAP PLC is a leading independent investment manager. We operate under the AIM, INVESCO and Atlantic Trust brands. We are listed on the London and New York stock exchanges and qualify as a foreign private issuer under the SEC regulations.

We appreciate the opportunity to comment on the Proposed FASB Staff Position EITF Issue No. 85-24-a.

We agree in principle with the basic conclusion of paragraph 8 of the proposed FSP permitting current revenue recognition, provided that the distributor does not retain recourse or continuing involvement with the Rights. We believe that an important criterion in determining revenue recognition is the transfer of “external” economic risks to the purchaser such as Board termination of 12b-1 plan, regulatory changes which eliminate 12b-1 plans, NAV risk, rate of return and credit loss.

We seek to clarify paragraph 9 (c) and 22 to determine why “consolidated group” was included as the mutual fund independent board has the unfettered right to hire or terminate the service provider and the purchaser cannot change the fund board's powers in this area.

We also seek to clarify paragraph 25 to avoid inconsistent application of the FSP principles among companies. The purchase of the economic risks is the intent of the transaction and the seller transfers all external exposure. It is not the intent of the purchaser to purchase “internal” risks – that is the risk that the seller can change the nature of the original Rights purchased, such as changes to the computation or timing of contingent deferred sales charge (CDSC) fees, errors and omissions by the seller, the adoption of additional CDSC waivers, and changes to investment objectives. Indemnities covering these internal risks should not preclude sale treatment. We suggest expanding paragraph 25 of the FSP to include indemnities covering these internal risks. For example representations, warranties and indemnities that go to the legality and validity of the Rights and maintaining the nature of the Rights as they exist at the time of transfer should not preclude sale treatment.

There are also indemnity items that are remote in likelihood of occurrence, which could be handled under concepts similar to FAS 5 if, and to the extent they arise later. Such later events, if they occur, should not preclude initial revenue recognition. Further, during the approximate

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ten year period of our sales program, we have never had an indemnification claim made by the purchaser indicating the probability of indemnification payments is remote.

The FASB should consider early application, including restatement of previously issued financial statements, for those companies whose original accounting treatment is consistent with the new FSP, but who restated recently due to uncertainty about which accounting principle to apply.

In conclusion, although we agree with the proposed FSP, we believe that the FSP should allow more principle based guidance on these transactions to ensure the accounting treatment follows the economic substance of the transaction.

Please contact us if you require additional information regarding our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "David Hartley", with a stylized flourish at the end.

David A. Hartley
Chief Accounting Officer