

Karen Salmansohn

From: Director - FASB
Sent: Wednesday, January 29, 2003 7
To: Karen Salmansohn
Subject: FW: File Reference 1102-001 -

Letter of Comment No: 51
File Reference: 1102-001
Date Received: 1-28-03



CBA Stk based Comp
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-----Original Message-----

From: Shaughnessy, Kelly [mailto:kshaughnessy@cba.ca]
Sent: Tuesday, January 28, 2003 4:33 PM
To: Director - FASB
Subject: File Reference 1102-001 - Accounting for Stock-Based Compensation

Dear Ms. Bielstein:

Please find attached a letter addressing File Reference 1102-001 - Accounting for Stock-Based Compensation.

<<CBA Stk based Comp reply to FASB logo off.doc>>

Regards

Kelly Shaughnessy
Vice-President, Banking Operations
Canadian Bankers Association
(416) 362 6093 Ext. 289
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January 28, 2003

Ms Suzanne Bielstein
Director of Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7,
P.O. Box 5116
Norwalk, Connecticut
06856-5116

Dear Ms. Bielstein:

Re: File Reference 1102-001 - Accounting for Stock-Based Compensation

The Canadian Bankers Association (CBA) thanks the Financial Accounting Standards Board (FASB) for the opportunity to comment on the Invitation to Comment (ITC) on Accounting for Stock-Based Compensation: A Comparison of FASB Statement No. 123, *Accounting for Stock-Based Compensation*, and its Related Interpretations, and IASB Proposed IFRS, *Share-Based Payment*.

In summary, we agree with both the FASB and IASB that all share-based payments be measured at fair value as we believe this is a preferable method of accounting for such payments. As highlighted in the ITC, although the two standards are similar, there are still areas of differences. In the context of closely linked capital markets, the need to have only one standard to address the accounting for share-based payments is imperative. A single conceptually sound accounting standard is critical to ensure comparability between financial statements of companies globally.

Both the IASB and FASB standards have merits based on their respective conceptual framework and measurement principles, and we have no preference for either approach. However, we strongly support a harmonized accounting standard to create a level playing field at the international level for companies in various financial markets. Therefore, we would urge the IASB and FASB to work together on developing a uniform, conceptually sound accounting standard that is both practical and useful for all preparers as well as users of financial statements.

Should you have any questions or need any clarifications on these issues, please do not hesitate to contact me.

Sincerely

RKS/