



September 15, 2003
Director, TA&I-FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

FASB September 17, 2003 Meeting

AMVESCAP PLC is a leading independent investment manager with approximately \$348 billion in assets under management. 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 understand that the FASB will hold a meeting on September 17, 2003 to consider whether to direct the staff to issue a proposed FASB Staff Position (FSP) to defer the effective date of Interpretation 46 until the end of the first interim or annual period ending after December 15, 2003, for an interest held by a public entity in a variable interest entity that (a) was not previously considered to be a special-purpose entity and (b) has assets that are predominately non financial. We completely agree with this proposal and hope that you will extend the overall effective date of FIN 46 due to the many open questions of interpretation surrounding this new pronouncement.

We would like to request that the FASB **add to its agenda** consideration of **exclusion of certain products provided by the investment management industry** to the applicability of FIN 46. As decision makers for unit trust, investment partnership, and collateralized debt obligation (CDO) products, companies like AMVESCAP PLC in the investment management industry will be forced to consider the VIE status on a product-by-product basis. If deemed to be the primary beneficiary of these products by simple fact of receiving fixed-percentage management fees or because kick-out clauses in management contracts are not regarded as a sufficient method of sharing control, then we will be forced to consolidate these products.

The consolidation of unit trust products would add voluminous figures to the balance sheets of companies in the investment management industry, severely misstating their underlying statements of position and results of operations and possibly impacting significantly minimum capital and debt covenant requirements. If consolidated, partnership and CDO products would add variability into AMVESCAP's income statement, and the income statements of other investment management firms in our industry. The assets of these CDOs would be required to be marked to market, with gains and losses going through the income statement, while the liabilities would not. These market movements would cause significant movements in income statements, only to be reversed in a future period when the CDO terminated.

AMVESCAP PLC has analyzed the impact of consolidating its partnership and CDO investments with the result that total assets and debt balances would be increased by over £1.9 billion (more than double their current levels) in assets and liabilities over which there is no risk of ownership. The financial statements would be clearly distorted by the addition of this information. Our analysis did not even consider the over 800 international unit-trust type products that would also have to be analyzed under FIN 46. Thus we feel strongly that the definition of "variable interest entities" needs to be reconsidered to avoid producing financial statements that are not useful, in any manner, to the users of these statements.

Sincerely,
Robert F. McCullough
Chief Financial Officer