



Interactive Data

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VIA ELECTRONIC MAIL: iasb@iasb.org

International Accounting Standards Board
Attn. Sir David Tweedie, Chairman
30 Cannon Street
London EC4M 6XH
United Kingdom

Re: ED/2009/7

September 14, 2009

Dear Sir

Interactive Data Corporation (“Interactive Data”) welcomes the opportunity to respond to the International Accounting Standards Board’s (“IASB”) invitation to comment on the exposure draft ED/2009/7, Financial Instruments: Classification and Measurement (“ED/2009/7”) proposed July 14, 2009.

Interactive Data’s Pricing and Reference Data business is a leading provider of pricing and fixed income evaluations for the financial industry in support of our clients’ pricing, research, and portfolio management activities. We also offer Fair Value Information Services for certain international equity securities, as well as valuations for a range of derivative instruments. Throughout this period of financial market turmoil, and following the issuance of IASB’s amendments to International Accounting Standard no. 39, Financial Instruments: Recognition and Measurement (“IAS 39”) and the FASB’s Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“FAS 157”), we have been actively engaged with clients and other industry participants regarding the role of market data providers and the information that we can supply to support financial statement preparers in connection with their fair value requirements.

Interactive Data recognises that market participants have diverse views on the merits of fair value measurement, especially in the current market. We also note that the board members of the IASB reflect these diverse views. These diversities are in support of a primary role of financial reporting, to present a realistic financial picture to investors, regulators and other stakeholders. Interactive Data believes that simplifying and improving financial reporting for financial instruments will increase the transparency and comparability of reports for users of financial statements and strongly supports the IASB in its goal to simplify and improve financial reporting for financial instruments.

As a company we support clients in their preparation of financial statements through provision of pricing and valuation services. We have therefore outlined below our observations of implementing the changes proposed in this exposure draft from an operational aspect.

Continued....

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Question 2

While the exposure draft provides some clarification regarding the definition of 'basic loan features', given the variety of financial instruments available, we believe that it will be very challenging for the IASB to implement principles-based rules that provide sufficient clarity for financial statement preparers to consistently classify all security types. We believe that additional classification guidance, particularly with respect to certain structured securities (for example, do the top tranches of some collateral-backed CDOs have basic loan features) may be necessary to improve the transparency and comparability of financial statements.

Interactive Data suggests that one way to achieve greater consistency would be for an industry body (such as CESR, IOSCO or the IVSC) to develop markers for instruments, similar to the "complex instrument marker" required for the recent Markets in Financial Instruments Directive (MiFID), to help identify financial instruments commonly considered to have basic loan features. This could result in standard application across impacted institutions.

Question 4(b)

Interactive Data agrees with the proposed application of the IASB's classification approach to non-senior tranches. We agree that the inherent nature of these securities is not consistent with the stated definition of basic loan features.

Questions 5 & 6

Interactive Data believes that entities should be permitted to designate financial assets or liabilities at fair value through profit or loss where the preparer of financial statements believes that doing so would improve the decision-usefulness and transparency of financial statements. Any such designation should be done in a manner that restricts the ability to arbitrage such an election.

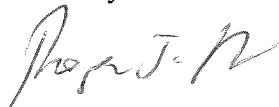
Questions 9 & 13

Interactive Data appreciates the need to balance the costs for organisations of meeting these new standards against the increased transparency and comparability that it will bring to financial statements. We believe adoption of the proposed exposure draft could potentially be difficult and costly for some industry participants. However, vendors, such as Interactive Data, may be able to assist in the transition and adoption of this exposure draft through the provision of current and historical pricing, evaluation, and reference data services.

Conclusions

Interactive Data supports the work of the IASB to simplify and improve financial reporting for financial instruments and we are grateful for the opportunity to provide our perspective on ED\2009\7. We would welcome further dialogue with the IASB on this and related topics.

Sincerely



Roger Sargeant
Managing Director - International