

Investment Trust Accounting
Tayforth House
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Technology Park
Dundee DD2 1TP

For the attention of Peter Godsall
Accounting Standards Board
5th Floor, Aldwych House
71-91 Aldwych
London
WC2B 4HN

29 January 2010

Dear Sirs,

BNP Paribas Securities Services (BNP Paribas) welcomes the opportunity to respond to the Accounting Standards Board's Consultation Paper on the Future of UK GAAP. BNP Paribas administers around 60 investment trusts, VCTs or other similar closed ended investment vehicles, with assets of over £12.5 billion, and feels well placed to comment on the Paper. Please note that, although we may have discussed certain issues with our clients, the views expressed should be taken as those of BNP Paribas rather than those of all or any specific clients of BNP Paribas.

In particular, BNP Paribas wishes to comment on Question 10 and the role of the SORP. As a provider of administrative and accounting services to so many investment trust companies, (ITCs), we believe that the SORPs issued by the Association of Investment Companies (AIC) under the ASB's Policy and Code of Practice have played a highly significant and pivotal role in both the harmonisation of accounting practice and the identification and setting out of best practice right across the industry. Such harmony allows the industry to offer the highest level of accounting practice in a clear and consistent way to the benefit of all shareholders and other stakeholders.

The accounting issues faced by ITCs are complex and there are many areas where accounting standards do not address such issues. The SORP is enormously helpful in promoting consistency in these areas.

We note that AIC did not specifically consider the implications of IFRS but it is clear that many of those ITCs which report under IFRS have chosen to follow the recommendations of the SORP to the fullest extent possible.

We believe that the downgrading of the SORP to the status of industry guidance without the benefit of a negative assurance statement from ASB would therefore be unhelpful in allowing these highest levels of accounting practice and consistency to be maintained, far less enhanced.

Please contact Ken Murray, Head of Investment Trust Accounting, on 01382 777227 if you wish to discuss any aspect of these comments in more detail.

Yours faithfully,
BNP Paribas Securities Services