

[Your Name]
[Your Position]
[Your Company]
[Company Address]
[City, State, Zip Code]
[Email Address]
[Phone Number]
[Date]
[Recipient Name]
[Recipient Position]
[Recipient Company]
[Recipient Address]
[City, State, Zip Code]

Dear [Recipient Name],

Subject: IFRS Foreign Currency Translation

I hope this letter finds you well. I am writing to provide an overview of the foreign currency translation practices as mandated by the International Financial Reporting Standards (IFRS), specifically regarding [specific context or transaction, if applicable].

Under IFRS, the primary exchange rate used for translating foreign currency financial statements is the closing rate at the reporting date for balance sheet items and the average rate for income statement items. This ensures that our financial reports reflect the true economic conditions of our foreign operations.

As we prepare to report our [quarterly/annual] financial statements, please ensure that the necessary adjustments are made to accurately reflect the currency translations, taking into account:

1. ****Monetary Items****: Translate at the closing rate.
2. ****Non-Monetary Items****: Use the historical exchange rate at the date of the transaction.
3. ****Income Statement Items****: Generally translate using the average rate for the period, unless rates fluctuate significantly.

Please review the attached documentation on our foreign exchange rates and confirm your understanding of the translation methods we will implement.

Thank you for your attention to this matter. Should you have any questions, please don't hesitate to reach out.

Best regards,

[Your Signature (if sending a hard copy)]
[Your Printed Name]
[Your Position]
[Your Company]