



5 May 2009

Mr. Stig Enevoldsen
Chairman
Technical Expert Group
EFRAG
Square de Meeûs 35
B-1000 BRUXELLES

E-mail: commentletter@efrag.org

Ref.: ACC/HvD/LF/ID

Dear Mr. Enevoldsen,

Re: FEE Comments on EFRAG's assessments of IFRIC 17 *Distributions of Non-cash Assets to Owners*

- (1) FEE (the Federation of European Accountants) appreciates the request to comment on the assessments of IFRIC 17 *Distributions of Non-cash Assets to Owners* (IFRIC 17).
- (2) We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG, without detailed examinations by FEE of the proposals and underlying assumptions.

EFRAG's technical assessment of IFRIC 17 against the endorsement criteria

- (3) In our letter to IFRIC dated 20 June 2008, we detailed our comments regarding IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners*.
- (4) With the publication of IFRIC 17 *Distributions of Non-cash Assets to Owners* as issued by the IASB on 27 November 2008, we support EFRAG's assessments of IFRIC 17 against the endorsement criteria, recommending adoption.
- (5) While we agree with the reasons advocated by the dissenting view expressed on the accounting mismatch and re-measurement of the liability at each reporting date, as we mentioned those comments in responding to IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners*, we note that the IFRIC has decided to issue its final interpretation respecting its due process (as described in paragraph 7 and 8 below). Therefore on balance we support the endorsement of IFRIC 17.

EFrag's evaluation of the costs and benefits of IFRIC 17

- (6) We broadly agree with the evaluation of the costs and benefits of IFRIC 17 *Distributions of Non-cash Assets to Owners* as provided by EFRAG but have not carried out a detailed examination.

Assessment Process

- (7) We believe that, in the current financial reporting environment, Europe needs to make every effort to prevent the creation of new deviations from IFRS. Furthermore, it needs to avoid to the extent possible any timing differences caused by delays in the endorsement mechanisms.
- (8) An enhanced due process for the IASB and IFRIC, improved governance of the IASB and timely and high quality European influence early in the standard setting process should result in international standards and interpretations that are acceptable for Europe. This European influence is expected to be exercised at, or before, exposure draft stage. EFRAG was created for that purpose and has the full support of FEE. As a due process is in place, at both IASB and EFRAG levels, these processes are expected to result in standards that are suitable for positive endorsement.

Endorsement

- (9) FEE supports the endorsement of IFRIC 17 *Distributions of Non-cash Assets to Owners*.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

For further information on this letter, please contact Ms. Saskia Slomp from the FEE Secretariat.

Yours sincerely,



Hans van Damme
President