



22 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/SR

Dear Mr. Enevoldsen,

Re: FEE Comments on EFRAG's assessments for endorsement of the Amendments to IFRS 7 *Improving Disclosures about Financial Instruments*

- (1) FEE (the Federation of European Accountants) appreciates the request to comment on the assessments for endorsement of the amendments to IFRS 7 *Improving Disclosures about Financial Instruments* ("the amendments to IFRS 7").
- (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 the amendments to IFRS 7 against the endorsement criteria

- (3) In our letter to the IASB dated 17 December 2008, we agreed like EFRAG with most of the proposals related to fair value measurements in the IASB Exposure Draft *Improving Disclosures about Financial Instruments*. However, we noted our disagreement with the introduction into IFRS 7 of a three-level fair value hierarchy, similar to that used in SFAS 157. In our opinion, significant decisions like a three-level hierarchy decision should be part of the main project on Fair Value.
- (4) In March 2009, the IASB issued the publication of the amendments to IFRS 7 *Improving Disclosures about Financial Instruments*. We support EFRAG's assessments of these amendments against the endorsement criteria, recommending adoption.

EFRAG's evaluation of the costs and benefits of the amendments to IFRS 7

- (5) We broadly agree with the evaluation of the costs and benefits of the amendments to IFRS 7 as provided by EFRAG but have not carried out a detailed examination.

Assessment Process

- (6) 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.
- (7) 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

- (8) FEE supports the endorsement of the amendments to IFRS 7.

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