



3 September 2009

Mr. Stig Enevoldsen  
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EFRAG  
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E-mail: [commentletter@efrag.org](mailto: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 2 *Group Cash-settled Share-based Payment Transactions***

- (1) FEE (the Federation of European Accountants) appreciates the invitation to comment on EFRAG's assessments for endorsement of the amendments to IFRS 2 *Group Cash-settled Share-based Payment Transactions* ("the amendments to IFRS 2").
- (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 2 against the endorsement criteria**

- (3) In our letter to the IASB dated 29 April 2008, we (like EFRAG) supported the IASB's decision to address this subject. We supported the proposal to clarify the accounting treatment relating to the arrangements on how an entity should account for goods and services it receives from its suppliers (including employees), for certain arrangements that are share-based and cash-settled.
- (4) However, we shared some of the concerns raised by EFRAG in its comment letter of 11 April 2008 regarding the way the IASB addresses the issues and regret the amendments create an even more rules based standard.

- (5) In June 2009, the IASB issued the publication of the amendments to IFRS 2 *Group Cash-settled Share-based Payment Transactions*. 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 2**

- (6) We broadly agree with the evaluation of the costs and benefits of the amendments to IFRS 2 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 the amendments to IFRS 2.

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, Technical Director.

Yours sincerely,



Hans van Damme  
President