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Ref.: ACC/PRJ/SKU/IDS

Dear Ms. Flores,

**Re: FEE Comments on EFRAG's assessments for endorsement of *IFRIC Interpretation 20 - Stripping Cost in the Production Phase of a Surface Mine***

- (1) FEE (the Federation of European Accountants) appreciates the invitation to comment on EFRAG's assessments for endorsement of *IFRIC Interpretation 20 - Stripping Cost in the Production Phase of a Surface Mine* ("*IFRIC Interpretation 20*").
- (2) We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG.

**EFRAG's technical assessment of *IFRIC Interpretation 20* against the endorsement criteria**

- (3) In our letter to the IASB dated 10 December 2010, we broadly supported EFRAG's final letter to the IASB on the above interpretation.
- (4) In August 2010, the IFRS Interpretations Committee issued the *Draft IFRIC Interpretation Stripping Cost in the Production Phase of a Surface Mine*. The IASB issued on 19 October 2011 the *IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*. The IASB almost re – debated some principles previously contained into the former drafted document and considered not necessary to re – expose the draft interpretation. We support EFRAG's assessments of *IFRIC Interpretation 20* against the endorsement criteria, recommending adoption.

**EFRAG's evaluation of the costs and benefits of *IFRIC Interpretation 20***

- (5) We broadly agree with the evaluation of the costs and benefits of *IFRIC Interpretation 20* as provided by EFRAG but have ourselves 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, if appropriate input is provided and considered at both IASB and EFRAG levels, it can be expected that the resulting standards should be suitable for positive endorsement.

### Endorsement

- (8) FEE supports the endorsement of *IFRIC Interpretation 20*.

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 Sylwia Kujawa, Project Manager from the FEE Secretariat on +32 2 285 40 86 or via email at [sylwia.kujawa@fee.be](mailto:sylwia.kujawa@fee.be).

Yours sincerely,



Philip Johnson  
President