



Pedro Solbes
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Dear Pedro,

EFRAG Draft Comment Letter (DCL) on the Status of Trustees' Strategy Review

I am responding on behalf of the UK Financial Reporting Council (FRC) to EFRAG's DCL on the above consultation.

The FRC is still reviewing the issues in the Trustees' Strategy Review and will be responding directly to the IFRS Foundation.

The FRC notes that EFRAG has limited its input to responding on the questions on 'Process' in the Strategy Review, although we note the comments made in the DCL on objectives, which comes under the 'Mission' questions posed by the Trustees. The final comment letter should clarify that EFRAG is, in fact, responding on two aspects. Noting this limitation, the FRC agrees with the content of the DCL.

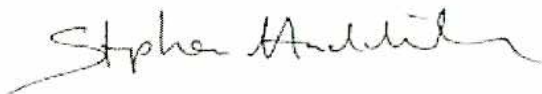
The FRC's main concern relates to the governance of the organisation. While the establishment of the Monitoring Board (MB) was an important step in improving the accountability of the Foundation, the three-tier structure that has resulted is in our view, over-complicated and has created confusion. This is highlighted by the fact that the MB and the Trustees are conducting separate reviews on governance at the same time, with separate consultations coming out at different times, with little overlap. At the very least, the reviews should be co-ordinated and constituents given more opportunity to consider the two in tandem and we agree with the comments made in the DCL on this issue.

On a point of detail, the FRC notes that EFRAG makes reference in paragraph (g) of the DCL and paragraph 29 of the appendix to the "forthcoming" Discussion Paper (DP) on Effects Studies Methodology. As you will be aware, this DP, which has been developed in partnership with the FRC's Accounting Standards

Board (ASB), has now been published and the final letter to the Foundation should be updated to reflect this.

Should you have any queries on the above please do not hesitate to contact me or David Loweth on 020 7492 2420.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Haddrill". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Haddrill

Chief Executive

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