

European Financial Reporting Advisory Group
35 Square de Meeûs
B-1000 Brussels
Belgium

3 August 2012

Dear EFRAG members

Adoption of the Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The global organisation of Ernst & Young is pleased to submit its comments on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice on the use of *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)* in the European Union (the Invitation to Comment).

We have read EFRAG's assessment of the application of the above amendment to companies in the European Union and considered only the conclusion contained therein. In this letter we are not commenting on any specific questions raised in the Invitation to Comment.

We provided comments to the International Accounting Standards Board (IASB) on the exposure draft *Transition Guidance (Proposed amendments to IFRS 10)* in a letter dated 21 March 2012. We believe the IASB followed the due process as established by the IFRS Foundation.

Ernst & Young supports consistent application of International Financial Reporting Standards (IFRS) globally. As such, we support EFRAG's recommendation that the amendment be adopted for use in the European Union.

Should you wish to discuss the contents of this letter with us, please contact Leo van der Tas at the above address or on +44 (0)20 7951 3152 or James Luke on +44 (0)20 7951 4773.

Yours faithfully

