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Ms. Françoise Flores
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Our ref MT/288

Contact Mary Tokar

E-mail: Commentletter@efrag.org

13 August 2012

Dear Ms Flores

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

We appreciate the opportunity to comment on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice regarding the International Accounting Standards Board (IASB) *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)*, which was published by the IASB on 28 June 2012. We have consulted within the KPMG network in respect of this letter, which represents the views of the KPMG network.

We have read and considered the amendments and EFRAG's draft endorsement advice on *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)* in which EFRAG considers the requirements of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards. Our consideration focused on EFRAG's conclusion regarding the assessment of *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)* against the endorsement criteria and in this response we are not addressing any points raised by EFRAG in Appendices 2 and 3 of its invitation to comment.

We provided comments to the IASB on the ED/2011/7 *Transition Guidance – proposed amendments to IFRS 10* (exposure draft) in our comment letter dated 23 March 2012. We have followed the IASB's redeliberations on the exposure draft and while not all of our suggestions were adopted by the IASB we do not believe that those comments, which were input to the IASB's deliberations, represent fatal flaws that would cause us to recommend non-endorsement.



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*Adoption of Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in
Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)*
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We support consistent application of International Financial Reporting Standards globally and consistent with this objective we support EFRAG's recommendation to adopt for use in Europe *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)*, as issued by the IASB.

Please contact Mary Tokar at +44 (0) 20 7694 8871 if you wish to discuss any of the issues raised in this letter.

Yours sincerely

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