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Ms. Françoise Flores
Chairman
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Our ref MT/288

Contact Mary Tokar

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24 July 2012

Dear Ms Flores

Adoption of *Annual Improvements to IFRSs 2009-2011 Cycle*

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) *Annual Improvements to IFRSs 2009-2011 Cycle*, which was published by the IASB on 17 May 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 *Annual Improvements to IFRSs 2009-2011 Cycle* 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 *Annual Improvements to IFRSs 2009-2011 Cycle* 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/2011/2 *Improvements to IFRSs* (exposure draft) in our comment letter dated 21 October 2011. 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.

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 *Annual Improvements to IFRSs 2009-2011 Cycle*, 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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