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E-mail: commentletter@efrag.org

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Ref.: ACC/PRJ/TSI/IDS

Dear Ms. Flores,

Re.: FEE Comments on EFRAG's assessments for endorsement of the Amendments to IFRS 7 Financial Instruments: Disclosures –Transfers of Financial Assets

- (1) FEE (the Federation of European Accountants) appreciates the invitation to comment on EFRAG's assessments for endorsement of the Amendments to IFRS 7 *Financial Instruments: Disclosures –Transfers of Financial Assets* ("the Amendments to IFRS 7").
- (2) We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG.

EFRAG's technical assessment of the Amendments against the endorsement criteria

- (3) In our letter to the IASB dated 3 August 2009, we supported EFRAG's final letter to the IASB and agreed in principle with most of the proposed disclosure amendments in the Exposure Draft on Derecognition – Proposed amendments to IAS 39 and IFRS 7.
- (4) On 7 October 2010, the IASB has published the Amendments to IFRS 7 as part of its comprehensive review of off balance sheet activities. We understand that IASB concluded to prefer the comprehensive disclosure route to any substantial revision of the derecognition criteria existing in IAS 39 at this stage. We support EFRAG's assessments of the Amendments to IFRS 7 against the endorsement criteria, recommending adoption.

EFRAG's evaluation of the costs and benefits of the Amendments to IFRS 7

- (5) We broadly agree with the evaluation of the costs and benefits of the Amendments to IFRS 7 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 the *Amendments to IFRS 7*.

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 Tibor Siska, Project Manager, at FEE Secretariat on +32 2 285 40 74 or via email at tibor.siska@fee.be.

Yours sincerely,



Philip Johnson
President