



8 January 2009

Mr. Stig Enevoldsen  
Chairman  
Technical Expert Group  
EFRAG  
Avenue des Arts 13-14  
B-1000 BRUXELLES

E-mail: [commentletter@efrag.org](mailto:commentletter@efrag.org)

Ref.: ACC/HvD/SS/LF/SH

Dear Mr. Enevoldsen,

**Re: FEE Comments on EFRAG's assessments of the amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"**

- (1) FEE (the Federation of European Accountants) appreciates the request to comment on the assessments of the amendment to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* "Reclassification of Financial Assets – Effective Date and Transition" (the Clarification).
- (2) We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG, without detailed examinations by FEE of the proposals and underlying assumptions.

**EFRAG's technical assessment of the Clarification against the endorsement criteria**

- (3) In our letter to the EC dated 20 October 2008 on the Meeting with Stakeholders to Discuss Accounting Issues Related to IAS 39 and IFRS 7 taking place on 21 October 2008, we note that the endorsement of amendments to IAS 39 and IFRS 7 published by the IASB on 13 October 2008 was a necessary step in the process of restoring a level playing field and creating confidence in financial markets, a decision which is fully supported by the accountancy profession.
- (4) With the publication of the Clarification, we support EFRAG's assessments against the endorsement criteria, recommending its adoption.



## **EFRAG's evaluation of the costs and benefits of the Clarification**

- (5) We broadly agree with the evaluation of the costs and benefits of the Clarification as provided by EFRAG but have not carried out a detailed examination.

## **Assessment Process**

- (6) As set out in our letter of 24 January 2008 to the European Commission (EC) 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. Non-endorsement would call into question the EU commitment to the transatlantic dialogue with the US and may lead to less rather than to more EU influence in the standard setting process.
- (7) In our letter to the EC we underlined our understanding that the EC will only undertake effect studies for potential sensitive changes of standards, new standards and new interpretations during an interim period, until the IASB itself develops impact assessments and feedback statements. In future, we recommend such impact assessment be undertaken early in the standard setting process and not when the actual Standard is issued.
- (8) 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, at both IASB and EFRAG levels, these processes are expected to result in standards that are suitable for positive endorsement.

## **Endorsement**

- (9) FEE supports the endorsement of the Clarification.

For further information on this letter, please contact Ms Saskia Slomp from the FEE Secretariat.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Hans van Damme', written over a horizontal line.

Hans van Damme  
President