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Comments from the Association of German Public Sector Banks¹ (VÖB) to the EFRAG Enhancement

Dear Mr Tidström

We are very grateful for the opportunity to comment on the EFRAG Enhancement. We would like to make the following remarks.

We support that EFRAG should continue to ensure that European views in the development of financial reporting are properly and clearly articulated. The PAAinE is a successful initiative to foster a European Opinion that should serve to increase proactive input to the IASB.

It is necessary for Europe to provide its input and advice to the IASB in the international standard setting process, in particular by responding to proposals issued by the International Accounting Standards Board (IASB).

However, EFRAG has to consider the interests of the various stakeholder groups in Europe, including those of preparers, accountants and users. Therefore EFRAG´s activities should be based on balanced participation of all

¹ The Association of German Public Sector Banks – Bundesverband Öffentlicher Banken Deutschlands, VÖB – is a leading industry association in the German banking industry. It represents 62 member institutions including the regional banks (Landesbanken) as well as the development banks owned by the federal and state governments. As of the end of 2007, the total assets of all VÖB member institutes amounted to 2,047 billion euros. The market share of the VÖB member banks was thus 27 percent, as measured by the total assets of the entire German banking industry. The VÖB banks employ 87,551 persons.

relevant stakeholders. It is important to ensure that views expressed by EFRAG are not dominated by any single interest group or constituency.

Therefore, we doubt whether the proposals set out in the public consultation are a practical way forward. The discussion paper proposes that the concept of associate members of EFRAG that may be introduced to enable other European organisations "to play a limited role in EFRAG in return for a lower contribution to the funding of EFRAG". EFRAG hopes to attract stakeholder organizations representing professions and sectors that are currently not sufficiently represented in EFRAG. Associate members would be entitled to attend the General Assembly – but have no voting rights. We think such a class of less important members without voting rights has no effective opportunity to participate in the development of EFRAG. EFRAG needs to represent all financial reporting stakeholders with their appropriate weight in financial reporting.

We would greatly appreciate if you could take account of our remarks. If you should have any further questions please do not hesitate to contact us.

Yours sincerely

Bundesverband Öffentlicher Banken Deutschlands



(Lothar Jerzembek)



(Simon Recker)