

European Financial Reporting Advisory Group
35 Square de Meeûs
B-1000 Brussels
Belgium

26 January 2012

Dear EFRAG member

Adoption of the Amendments to IAS 32 *Offsetting Financial Assets and Liabilities* and IFRS 7 *Disclosures - Offsetting Financial Assets and Financial Liabilities*

The global organisation of Ernst & Young is pleased to submit its comments on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice on the use of Amendments to IAS 32 *Offsetting Financial Assets and Liabilities* and IFRS 7 *Disclosures - Offsetting Financial Assets and Financial Liabilities* in the European Union (the Invitation to Comment).

We have read EFRAG's assessment of the application of the above amendments to companies in the European Union and considered only the conclusions contained therein. In this letter we are not commenting on any specific questions raised in the Invitation to Comment.

We provided comments to the International Accounting Standards Board (IASB) on the exposure draft *Offsetting Financial Assets and Financial Liabilities* in a letter dated 27 April 2011. We believe the IASB followed the due process as established by the IFRS Foundation.

Ernst & Young supports consistent application of International Financial Reporting Standards (IFRS) globally. As such, we support EFRAG's recommendation that the amendments be adopted for use in the European Union.

Should you wish to discuss the contents of this letter with us, please contact Leo van der Tas at the above address or on +44 (0)20 7951 3152 or James Luke on +44 (0)20 7951 4773.

Yours faithfully

