

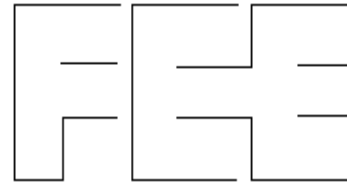
Date
1 July 2008

Le Président

Fédération
des Experts
Comptables
Européens
AISBL

Av. d'Auderghem 22-28/8
1040 Bruxelles
Tél. 32 (0) 2 285 40 85
Fax: 32 (0) 2 231 11 12
E-mail: secretariat@fee.be

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



commentletter@efrag.org

Dear Mr. Enevoldsen,

Re: EFRAG's assessments of the amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

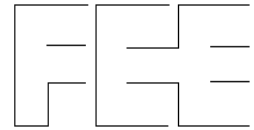
1. FEE (Fédération des Experts Comptables Européens – Federation of European Accountants) appreciates the request to comment on the amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
2. We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG, without detailed examinations of the proposals and underlying assumptions.

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

3. In our letter to the International Accounting Standards Boards ("the IASB") dated 12 March 2008, we supported the proposed amendments but also shared EFRAG's main concern regarding the proposals that dividends from a subsidiary, jointly-controlled entity, or associate, should always trigger an impairment test of the related investment. We suggested that an impairment test should only be required when certain "unusual" conditions are met in addition to the indications of impairment included under IAS 36.
4. Like EFRAG, we note that this main issue identified on the Exposure Draft of Proposed Amendments to IFRS 1 and IAS 27 has been addressed by the IASB in the amendments published by the IASB on 22 May 2008, making clear under IAS 36 some circumstances in which receipt of a dividend from a subsidiary, jointly-controlled entity, or associate might indicate that an investment is impaired.
5. We support EFRAG's assessment of the amendments against the endorsement criteria, recommending the adoption of the amendments published by the IASB on 22 May 2008.

EFRAG's evaluation of the costs and benefits of the amendments

6. We broadly agree with the evaluation of the costs and benefits of the amendments as provided by EFRAG but have not carried out a detailed examination.



Assessment Process

7. 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 and to solve in a concerted effort with the IASB the IAS 39 carve-out. 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.
8. 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.
9. 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

10. FEE supports the endorsement of the amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jacques Potdevin', written over a horizontal line.

Jacques Potdevin
President

Ref: ACC/JP/SS/LF