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19 September 2008

Ref:

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Dear Sir

Invitation to comment – EFRAG: Strengthening the European Contribution to the International Standard-Setting Process - Proposals for Public Consultation

Ernst & Young is pleased to comment on the above discussion document.

We welcome the proposals to enhance EFRAG's governance process, transparency and its accountability to European organisations and institutions. As the use of International Financial Reporting Standards (IFRS) grows, we agree that EFRAG should seek to enhance its accountability to European organisations and institutions. In order to meet these objectives we recognise the need to increase EFRAG's human and financial resources.

We believe EFRAG should continue to provide proactive input into the International Accounting Standard Board's (IASB) processes at an early stage. To ensure that this work is as effective as possible we would encourage EFRAG to review the work it has undertaken to date with the Proactive Accounting Activities in Europe (PAAinE) to identify any areas for future improvement. We also agree that it is important to comment on Discussion Papers and Exposure Drafts issued by the IASB and to advise the European Commission (EC) on the endorsement process.

EFRAG acknowledges that the IASB will ultimately assume responsibility for impact assessments and effect studies but we would encourage EFRAG to work with the IASB, to ensure that their studies will meet EC needs. This will enable EFRAG to focus resources on other priority activities.

Should you wish to discuss this letter with us, please contact Will Rainey at +44 20 7951 3619.

Yours faithfully

