

Jörgen Holmquist  
Director General  
European Commission  
DG Internal Market and Services

2 March, 2009

**Subject: Assessment of objectivity and balance of EFRAG's endorsement opinion on the *Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"***

Dear Mr Holmquist,

According to Article 2 of the Commission Decision 2006/505/EC of 14 July 2006 (OJ L 199, 21.7.2006, p. 33), the task of the Standards Advice Review Group is to advise the Commission, before it takes a decision on endorsement, on whether EFRAG's opinions on endorsement of International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Committee (IFRIC's) are well balanced and objective.

The International Accounting Standards Board (IASB) has published on 27 November 2008 *Reclassification of Financial Assets – Effective Date and Transition*.

The European Financial Reporting Advisory Group (EFRAG) has, in its letter of 16 January 2009, recommended the European Commission to propose the *Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"* for adoption by the EU.

Pursuant to the request of the European Commission of 2 March 2009 for advise on whether EFRAG's opinion on endorsement of the *Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"* is well balanced and objective,

**the Standards Advice Review Group**

having regard to the EFRAG's final opinion on endorsement of the *Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"* of 16 January 2009, comment letters, EFRAG's summary and analysis of comments, EFRAG's effect study, and the relevant records of the EFRAG Technical Expert Group (TEG) meetings;

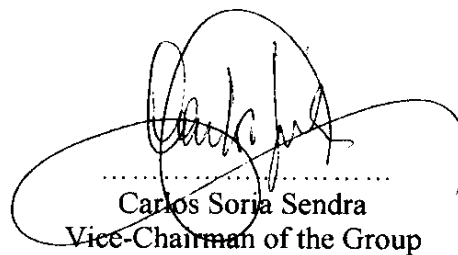
having considered further information given by the Chairman of TEG and EFRAG staff at the meetings of the Standards Advice Review Group,

**has concluded by consensus**

that EFRAG's opinion on endorsement of the *Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Assets – Effective Date and Transition"* is well-balanced and objective.

Please contact me if you have questions relating to this assessment.

Yours sincerely,



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Carlos Soria Sendra  
Vice-Chairman of the Group