

Draft MINUTES

MEETING OF THE STANDARDS ADVICE REVIEW GROUP ON 24 SEPTEMBER 2010

The Chairman of the Standards Advice Review Group, Mr Geoffrey MITCHELL, chaired the meeting except for the point *I. Selection of Chairman and Vice-Chairman*

I. ADMINISTRATIVE ISSUES, ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING AND THE AGENDA OF THE MEETING

Selection of Chairman and Vice-Chairman

In accordance with the Article 4 of Commission's Decision on setting up of the Standards Advice Review Group, the Group unanimously selected Mr Geoffrey Mitchell as the Chairman, and Mr. Carlos Soria as the Vice-Chairman, both for a period of one year.

Adoption of the minutes of the meeting of the Group held on 23 February 2010.

The minutes of the meeting of the Group held on 23 February were approved.

Adoption of the agenda of the meeting

The agenda of the meeting was approved.

Undertaking to act in the public interest and absence of conflict of interest

The Members of the Group have signed an undertaking to act in the public interest and a declaration indicating the absence or existence of any interest which may undermine their independence and objectivity. The Chairman reminded the Members about their responsibility to report to Commission in case they would have any changes in their respective situation.

II. UPDATE BY THE COMMISSION.

The Head of the Financial Reporting Unit Mr Jeroen Hooijer gave an update about the recent developments in accounting, including issues related to IASB governance, IASB monitoring board and successor of IASB Chairman David Tweedie. Subsequently, questions related to convergence (between US GAAP and IFRS) and fair value were also discussed.

Mr. Hooijer expressed his appreciation for the role of SARG in the endorsement process.

III. DISCUSSION ON IMPROVEMENTS TO IFRS ISSUED IN MAY 2010 (THE AMENDMENTS)

Representative of EFRAG explained the main characteristics of the *Improvements to IFRS*, the EFRAGs work done and the conclusions reached in EFRAG's endorsement advice.

In August 2009, prior to issuing the final standard, the IASB had asked comments for a total number of 15 proposed amendments. In its comment letter of November 2009, EFRAG had expressed concerns regarding 4 of them. Subsequently, IASB had dropped those 4 suggested amendments on the basis of the concerns expressed by the constituents. IASB issued 11 individual amendments to 7 standards in May 2010.

EFRAG had deliberated each of the 11 amendments separately. They were all considered to meet the endorsement criteria and there had been unanimous support at EFRAG TEG for positive endorsement advice.

In the following discussion, EFRAG representatives explained more in detail the process of EFRAG deliberations, including the EFRAG public consultations and analysing the cost/benefits of the proposed standards.

IV. WORKING PLANS OF THE GROUP AND NEXT MEETINGS

The IASB has scheduled three more standards to be issued before end September 2010 and another four standards before end 2010. However it seems that there will be delays and only one of the standards could be ready by end September. Consequently, no more EFRAG's endorsement advices are expected before beginning of 2011.

Therefore, no further SARG meetings are scheduled for 2010. The first meeting in 2011 will be called upon after getting more clarity about endorsement schedule. It was suggested that if/when more controversial standards are emerging, SARG could meet up for an educational session already before issuance of the final endorsement advice. EFRAG representatives expressed their readiness to assist such meetings.

V. DELIVERY OF ADVICE TO THE COMMISSION

The Members of the Group unanimously concluded that EFRAG's endorsement advice on:

- *Improvements to IFRS Issued in May 2010 (the Amendments)*

is well-balanced and objective.

STANDARDS ADVICE REVIEW GROUP

Meeting of 24 September 2010

PARTICIPANTS' LIST

MEMBERS OF THE STANDARDS ADVICE REVIEW GROUP

Josef Jílek

Rien Van Hoepen

Enrico Laghi – by conference call

Geoffrey Mitchell

Mari Paananen

Bernard Raffournier

Carlos Soria Sendra

EFRAG

Françoise Flores

Pieter Dekker

COMMISSION

Jeroen Hooijer

Arto Leppilähti

Bea Van der Linden