

23 September, 2008

Mr Jörgen Holmquist
Director General
European Commission
DG Internal Market and Services

**Subject: Assessment of objectivity and balance of EFRAG's endorsement opinion
 on *Improvements to IFRSs 2007 – Issued 22 May 2008*.**

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 a revision of *Improvements to IFRSs 2007* on 22 May 2008.

The European Financial Reporting Advisory Group (EFRAG) has, in its letter of 4 July 2008, recommended the European Commission to propose *Improvements to IFRSs 2007* for adoption by the EU.

The Standards Advice Review Group

having regard to the EFRAG's final opinion on endorsement of *Improvements to IFRSs 2007* of 4 July 2008, 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 *Improvements to IFRSs 2007* of 4 July 2008 is well-balanced and objective.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Geoffrey Mitchell', written in a cursive style.

Geoffrey Mitchell
Chairman of the Group