

21 October, 2009

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

**Subject:           Assessment of objectivity and balance of EFRAG's endorsement opinion on *Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions – Issued in June 2009.***

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 the *Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions* - in June 2009.

The European Financial Reporting Advisory Group (EFRAG) has, in its letter of 14 September 2009, recommended the European Commission to propose *the Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions* - for adoption by the EU.

#### **The Standards Advice Review Group**

having regard to the EFRAG's final opinion on endorsement of *the Amendments to IFRS 2* of 14 September 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 Amendments to IFRS 2* of 14 September 2009 is well-balanced and objective.

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

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'G. Mitchell', written in black ink.

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Geoffrey Mitchell  
Chairman of the Group