

23 February, 2010

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

Subject: Assessment of objectivity and balance of EFRAG's endorsement opinion on the *Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters – Issued on 28 January 2010.*

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 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters* on 28 January 2010.

The European Financial Reporting Advisory Group (EFRAG) has, in its letter of 19 February 2010, recommended the European Commission to propose the *Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters* 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 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters* of 19 February 2010, 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;

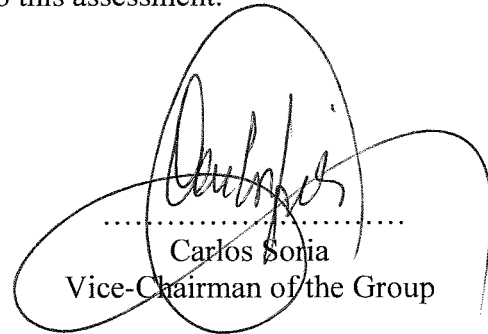
having considered further information given by the Chairman of TEG and EFRAG staff at the meetings of the Standards Advice Review Group,

has concluded by consensus

that EFRAG's opinion on endorsement of the *Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters* of 19 February 2010 is well-balanced and objective.

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

Yours sincerely,



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Carlos Sonia
Vice-Chairman of the Group