24 September, 2010

Mr Jonathan Faull
Director General
European Commission
DG Internal Market and Services

**Subject:** **Assessment of objectivity and balance of EFRAG's endorsement opinion on *Improvements to IFRSs 2010 – Issued in May 2010.***

Dear Mr Faull,

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 2010* in May 2010.

The European Financial Reporting Advisory Group (EFRAG) has, in its letter of 23 July 2010, recommended the European Commission to propose *Improvements to IFRSs 2010* for adoption by the EU.

**The Standards Advice Review Group**

having regard to the EFRAG's final opinion on endorsement of *Improvements to IFRSs 2010* of 23 July 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 *Improvements to IFRSs 2008* of 23 July 2010 is well-balanced and objective.

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

Yours sincerely,

Geoffrey Mitchell
Chairman of the Group