

22 September 2008

Mr Göran Tidström, *Chairman*
EFRAG Supervisory Board
13-14 Avenue des Arts
B-1210 Brussels
BELGIUM

Strengthening the European contribution to the international standard-setting process

Dear Mr Tidström,

I am pleased to respond to the invitation to comment on the proposals for enhancement of European Financial Reporting Advisory Group (EFRAG). This letter has been developed in consultation with various European member firms of Deloitte.

We support EFRAG's proposals to improve its ability to be a strong and co-ordinated voice for all the Member States within Europe providing "pro-active input" into ensuring quality and principle-based accounting standards for users in Europe.

We comment only on the proposals regarding the objectives and activities of EFRAG (section 2 within the Consultation Document).

We recognise EFRAG as a guardian of high quality, principle-based accounting standards in Europe and we support the objective of it becoming more pro-active. To achieve this, EFRAG needs to state clearly its mission and how this mission is to be accomplished. The proposed reference to pro-active activities is currently too vague.

We believe that the focus of any pro-active activities should be the underlying principles to be used in the development of new and revised Standards by the IASB, i.e. securing principle-based, clearly articulated high quality accounting standards.

We agree that, in order to achieve its objective of being pro-active, EFRAG must be able to input into the work of the IASB from the early stages preceding the issue of a discussion paper and throughout the development of a new standard. For projects already in progress, EFRAG could contribute by participating in the debate on those projects and by performing surveys and impact studies. For new projects, EFRAG could contribute to the development of the initial thinking through undertaking the relevant research studies and advising on the principles to be adopted in a new standard.

Page 2
22 September 2008

To achieve this, EFRAG requires a pool of high quality credible technical people, who should be independent, engaged and recognised experts representing preparers and all user groups.

Engaging in pro-active activities EFRAG will act as a collective voice of Europe. To avoid any ambiguity, the document must state unequivocally that EFRAG is neither a standard-setter nor is it intended to replace the existing EU national standard-setters.

As a *quid pro quo* to adopting a pro-active role in the development of accounting standards, the endorsement process in Europe should become smoother and quicker.

Should you have any questions concerning this letter, please contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Wild', written over a horizontal line.

Ken Wild
Global IFRS Leader
On behalf of the European firms of Deloitte.