



**KPMG IFRG Limited**  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

Tel +44 (0) 20 7694 8871  
Fax +44 (0) 20 7694 8429  
DX 38050 Blackfriars  
[mary.tokar@kpmgifrg.com](mailto:mary.tokar@kpmgifrg.com)

Ms. Françoise Flores  
Chairman  
European Financial Reporting Advisory Group  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

Our ref MT/288

Contact Mary Tokar

E-mail: [Commentletter@efrag.org](mailto:Commentletter@efrag.org)

6 December 2011

Dear Ms Flores

***Adoption of IFRIC Interpretation 20 Stripping Costs In The Production Phase Of A Surface Mine***

We appreciate the opportunity to comment on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice regarding the International Financial Reporting Interpretations Committee's (IFRIC's) IFRIC 20 *Stripping Costs In The Production Phase Of A Surface Mine* (IFRIC 20), which was published by the IASB on 19 October 2011. We have consulted within the KPMG network in respect of this letter, which represents the views of the KPMG network.

We have read and considered the amendments and EFRAG's draft endorsement advice on IFRIC 20 in which EFRAG considers the requirements of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards. Our consideration focused on EFRAG's conclusion regarding the assessment of IFRIC 20 against the endorsement criteria and in this response we are not addressing any points raised by EFRAG in Appendices 2 and 3 of its invitation to comment.

We provided comments to the IFRIC on the IFRIC Draft IFRIC Interpretation DI/2010/1 *Stripping Costs in the Production Phase of a Surface Mine* (draft interpretation) in our comment letter dated 30 November 2010. We have followed the IFRIC's redeliberations on the draft interpretation and while not all of our suggestions were adopted by the IFRIC we do not believe that those comments, which were input to the IFRIC's deliberations, represent fatal flaws that would cause us to recommend non-endorsement.

We support consistent application of International Financial Reporting Standards globally and consistent with this objective we support EFRAG's recommendation to adopt for use in Europe IFRIC 20 as issued by the IASB.



Please contact Mary Tokar at +44 (20) 7694 8871 if you wish to discuss any of the issues raised in this letter.

Yours faithfully

*KPMG IFRG Limited*

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