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Our ref MT/288
Contact Mary Tokar

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Dear Sir or Madam

Adoption of IFRIC Interpretation 15 *Agreements for the Construction of Real Estate*

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 Interpretation 15 *Agreements for the Construction of Real Estate* (IFRIC 15), which was published by the International Accounting Standards Board (IASB) on 3 July 2008. This letter expresses the views of the international network of KPMG member firms.

We have read and considered IFRIC 15 and EFRAG's draft endorsement advice on this interpretation in which EFRAG considers the requirements of the 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 and in this response we are not addressing the points raised by EFRAG in Appendix 2 of its invitation to comment.

We provided comments to the IFRIC on the IFRIC draft interpretation D21 *Real Estate Sales* (draft interpretation) in our comment letter dated 5 October 2007. We have followed the IFRIC's redeliberations on the comment letters 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 (IFRSs) globally and consistent with this objective we support EFRAG's recommendation to adopt for use in Europe IFRIC 15 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