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Our ref **MV/288**

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23 January 2013

Dear Ms Flores

Adoption of *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*

We appreciate the opportunity to comment on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice regarding the International Accounting Standards Board (IASB) *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)* ('the amendments'), which was published by the IASB on 31 October 2012. We have consulted with, and this letter represents the views of, the KPMG network.

We have read and considered the amendments and EFRAG's draft endorsement advice on the amendments 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 the amendments 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 IASB on the ED/2011/4 *Investment Entities* (exposure draft) in our comment letter dated 11 January 2012. We have followed the IASB's redeliberations on the exposure draft and while not all of our suggestions were adopted by the IASB we do not believe that those comments, which were input to the IASB'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 the amendments as issued by the IASB.



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

Yours sincerely

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