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Our ref MT/288

Contact Mary Tokar

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Dear Ms Flores

Adoption of Amendments to IFRS7 Financial Instruments: Disclosures – Transfers of Financial Assets

We appreciate the opportunity to comment on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice regarding the International Accounting Standards Board's (IASB's) Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets (the amendments), which were published by the IASB on 7 October 2010. 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 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 exposure draft *Derecognition – Proposed amendments to IAS 39 and IFRS 7* (the exposure draft) in our comment letter dated 30 July 2009. We have followed the IASB's redeliberations on the comment letters 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 Mary Tokar at +44 (20) 7694 8871 if you wish to discuss any of the issues raised in this letter.

Yours faithfully

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