



THE SECRETARY GENERAL

Mr Göran Tidström
Chairman of the EFRAG Supervisory Board
EFRAG
Avenue des Arts 13-14
1210 Brussels

25 September 2008

Dear Mr Tidström,

BUSINESSEUROPE has taken note of the proposals to strengthen the European Contribution to the international standard-setting process.

As a Founding Father of EFRAG and a supporter of the adoption of IFRS in Europe for listed companies, BUSINESSEUROPE has been a long standing promoter of a strong accounting voice in Europe.

We support pro-active input to the IASB standard-setting process and we agree that gaining more efficient technical influence is increasingly important as other major jurisdictions in terms of market capitalisation, including the USA, are seriously considering or preparing transition to IFRS.

BUSINESSEUROPE supports the proposed agreement between EFRAG, National Standard Setters, National Funding Mechanisms and the European Commission. In order to be influential in the IASB standard-setting process, along with other standard setters such as the FASB and the SEC, EFRAG needs to increase its resources and in this respect we strongly welcome a decision by the EU to provide for public funding up to 50% of EFRAG total resources; this would be a decisive move forward.

BUSINESSEUROPE in particular supports the following proposed changes in the structure and the governance of EFRAG:

- enhancing the transparency in which EFRAG operates and aligning the Supervisory Board and the Planning and Resource Committee to the same level of transparency as the TEG;
- the emphasis put on the pro-active activities in EFRAG and the setting-up of the Planning and Resource Committee considering that formalising the cooperation of National Standard Setters in the overall effort will help join European and national resources together in defining Europe's positions from a pan-European

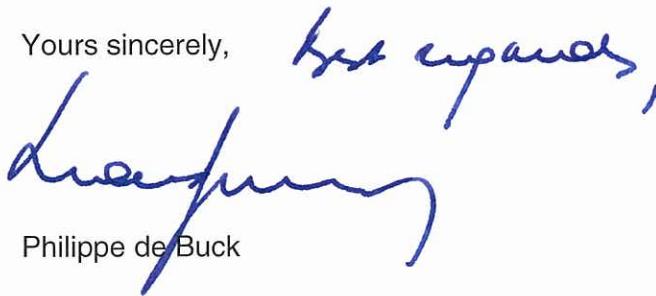
perspective – it is imperative that Europe speaks with one voice on these subjects;

- the fact that TEG responsibilities remain unchanged because it is of the utmost importance that all EFRAG technical positions are entrusted to TEG.

Implementation of the proposals to strengthen the European contribution to the international standard-setting process should significantly increase the level of technical research undertaken by EFRAG.

Lastly, BUSINESSEUROPE recommends that EFRAG ensures that appropriate consultations and working groups that involve the participation of active practitioners support any work undertaken. To be truly useful, EFRAG's input to the IASB, including in research phases, must remain at all times fully reflective of its economic environment.

Yours sincerely,



best regards,

Philippe de Buck