



Accounting Standards Board

Aldwych House, 71-91 Aldwych, London WC2B 4HN
Telephone: 020 7492 2300 Fax: 020 7492 2399

www.frc.org.uk/asb



Stig Enevoldsen
Chairman
European Financial Reporting Advisory Group
Avenue des Arts 13-14
B1210 Brussels
Belgium

1 March 2007

Dear Stig

Adoption of IFRIC 12 Service Concession Arrangements

I am writing in response to EFRAG's draft letter on the adoption of IFRIC 12 'Service Concession Arrangements'. The Accounting Standards Board (ASB) has considered EFRAG's draft letter and supports the conclusion that the IFRIC should be adopted.

The ASB has considered the views of those who are not recommending endorsement of the Interpretation as set out in Appendix 1 of the EFRAG draft letter. The Board is not persuaded that the arguments as presented are sufficient to reach the conclusion that IFRIC 12 does not meet the requirements of Regulation 1606/2002. In our view, the Basis for Conclusions set out in Appendix 2 to the EFRAG draft letter sets out a fair summary of the concerns and the conclusions on whether IFRIC 12 meets the criteria for EU endorsement.

The ASB considers the Interpretation will lead to more consistent application and should be recommended for adoption.

Yours sincerely

Ian Mackintosh
Chairman

DDI: 020 7492 2440

Email: i.mackintosh@frc-asb.org.uk