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Our ref **MT/288**

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Contact **Mary Tokar**

28 April 2008

Dear Sir or Madam

***Adoption of Amendments to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations***

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 2 *Share-Based Payment: Vesting Conditions and Cancellations* (IFRS 2 Revised), which was published by the IASB on 17 January 2008. This letter expresses the views of the international network of KPMG member firms.

We have read and considered IFRS 2 Revised and EFRAG's draft endorsement advice on this standard 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 technical assessment of IFRS 2 (Revised).

We provided comments to the IASB on the Exposure Draft of *Proposed Amendments to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations* (ED) in our comment letter dated 1 June 2006. We have followed the IASB's redeliberations on the comment letters on the ED and while not all of our suggestions were adopted by the IASB we do not believe that those comments, which were input to the Board'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 IFRS 2 Revised 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*

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