



**KPMG IFRG Limited**  
1-2 Dorset Rise  
London EC4Y 8EN  
United Kingdom

Tel +44 (0) 20 7694 8871  
Fax +44 (0) 20 7694 8429  
DX 38050 Blackfriars  
mary.tokar@kpmgifrg.com

European Financial Reporting Advisory Group  
13-14 Avenue des Arts  
B-1210 Bruxelles  
Belgium

Our ref **MT/288**

E-mail: [Commentletter@efrag.org](mailto:Commentletter@efrag.org)

Contact **Mary Tokar**

4 July 2008

Dear Sir or Madam

***Adoption of Amendments to IFRS 1 and IAS 27 - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate***

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 1 and IAS 27 - *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (IFRS 1 and IAS 27 Revised), which were published by the IASB on 22 May 2008. This letter expresses the views of the international network of KPMG member firms.

We have read and considered IFRS 1 and IAS 27 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 invitation to comment.

We provided comments to the IASB on the Exposure Draft of proposed amendments to IFRS 1 and IAS 27 - *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (ED) in our comment letter dated 26 February 2008. 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 1 and IAS 27 Revised as issued by the IASB.



**KPMG IFRG Limited**  
*Adoption of Amendments to IFRS 1 and IAS 27 - Cost of an Investment in a Subsidiary, Jointly  
Controlled Entity or Associate*  
4 July 2008

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*

KPMG IFRG Limited