



Mr. Göran TIDSTRÖM,
Chairman of Supervisory Board
EFRAG
Av. des Arts, 41

Brussels, 7th September 2006
MR/B16/06-208

B – 1040 BRUSSELS

E-MAIL

Re: EFRAG letter on IFRIC Handbook on Due Process

Dear Mr Tidström,

The European Association of Cooperative Banks (EACB)¹ is pleased to provide EFRAG with comments regarding the Draft comment letter on the Draft IFRIC Handbook on Due Process.

On principle, we share the views set out in EFRAG's draft comment letter. In detail we have the following comments:

- EFRAG strongly criticises the Agenda Committee Process set out in paragraphs 23 to 28 of the draft handbook. Regarding this second phase of the proposed IFRIC due process there is a lack of transparency. This is due to the fact that there is normally a period of some months between the submission of an issue and the published recommendation of the Agenda Committee. The Agenda Committee might not be ready to meet in public – as EFRAG proposes - emphasising the preliminary character of its task. However, as a minimum, the IFRIC should commit itself to inform the public about any changes of the status of submitted issues within the Agenda Committee Process. Therefore, a list of all issues that have been submitted to the IFRIC should be available on the IASB website. That list should also clarify, at which stage within the process an issue is at present.
- EFRAG is in favour of the other proposals dealt with in the specific questions to the draft handbook. We are in line with EFRAG'S statements on this position.

¹ The European Association of Co-operative Banks represents over 4.500 co-operative credit institutions active in all the EU Member states and serving over 100 Million customers. Its member organisations are decentralised national networks of small-sized Co-operative banks' networks, which have a strong presence on a local or regional level. They account for a large part of the SME and private household credit market (17%) and thus play a crucial role within the Internal Market.



EFRAG added other comments on matters not specifically addressed by the Questions:

- EFRAG criticises the current practice of IFRIC to publish wordings for rejections that take a form similar to interpretations without due process.
- We approve to EFRAG's proposal to issue wordings for rejections with guidance only, if there is a qualified majority of IFRIC members in support of such wordings.
- We also strongly support EFRAG's proposal to extend the consultation period for major and complex issues.

Of course, we remain at your disposal for any further questions regarding our position,

Yours sincerely,

Volker HEEGEMANN
Senior Adviser

Marcel ROY
Adviser