

25 August 2009

Our ref: ICAEW Rep 87/09



THE INSTITUTE
OF CHARTERED
ACCOUNTANTS
IN ENGLAND AND WALES

Mr Stig Enevoldsen
Chairman
European Financial Reporting Advisory Group
13-14 Avenue des Arts
B-1210 Brussels

By email: commentletter@efrag.org

Dear Stig

**INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS OF THE APRIL 2009
IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Institute of Chartered Accountants in England and Wales welcomes the opportunity to respond to EFRAG's Invitation to Comment on its Assessments of the April 2009 Improvements to International Financial Reporting Standards.

The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world-leading professional accountancy body, the Institute provides leadership and practical support to over 132,000 members in more than 160 countries.

We are satisfied that:

- (a) the April 2009 Improvements to International Financial Reporting Standards meet the technical criteria for endorsement by the EU; and
- (b) the benefits to be derived from applying the Improvements will exceed any costs involved.

We therefore fully support endorsement.

Our responses to the relevant questions raised by EFRAG are attached as an appendix to this letter.

Please contact me if you would like to discuss any of the points raised in this response.

Yours sincerely

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IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**Comments should be sent to commentletter@efrag.org or
uploaded via our website by 4 September 2009**

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:**

The Institute of Chartered Accountants in England and Wales.

- (b) Are you/ls your organisation or company a:**

Other: professional accountancy body.

- (c) Please provide a short description of your activity/ the general activity of your organisation or company:**

See covering letter.

- (d) Country where you/your organisation or company is located:**

United Kingdom.

- (e) Contact details including e-mail address:**

See covering letter: desmond.wright@icaew.com

2 EFRAG's initial assessment of the Amendments is that they meet the technical criteria for endorsement. In other words, they are not contrary to the true and fair principle and they meet the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

- (a) Do you agree with this assessment?**

Yes

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

Not applicable.

- (b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendments? If there are, what are those issues and why do you believe they are relevant to the evaluation?**

We are not aware of any other issues.

- 3 EFRAG is also assessing the costs that will arise for preparers and for users to implement the Amendments, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.**

The results of the initial assessment are set out in Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments are:

- (a) likely to involve some preparers in some additional year one and ongoing costs. Taken individually those costs will, EFRAG believes, generally be insignificant (although for a few companies the costs could be more significant); indeed, some entities will already be applying some IFRSs in a way that is identical or very similar to that required by some or all of the individual amendments and for those entities it is likely that there will be little if any incremental cost involved in implementing those particular amendments. As a result, EFRAG's assessment is that when considered in aggregate, those costs will be insignificant.**
- (b) likely to involve users in no year one or ongoing incremental costs.**

Do you agree with this assessment?

Yes.

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

Not applicable.

- 4 The Amendments are likely to result in improvements in the quality of the information provided. Taken individually, most of these improvements are likely to be relatively small; however, EFRAG's initial assessment is that taken together the amendments are likely to have a noticeable effect on the quality of the information provided. Its initial assessment furthermore is that the benefits to be derived from applying the Amendments will exceed the costs involved (Appendix 3, paragraphs 26 and 27).**

Do you agree with this assessment?

Yes.

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

Not applicable.

- 5 EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendments.**

Do you agree that there are no other factors?

Yes.

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

Not applicable.