



10 January 2006

ICAEW REP 03/06

Secretariat EFRAG
Avenue des Arts 13-14
1210 Brussels

Dear Sirs

IFRIC 7

We refer to EFRAG's draft comment letter to the European Commission on IFRIC 7, *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*, published by EFRAG for comment on 9 December 2005. The Institute commented on the draft version of IFRIC 7, published as IFRIC D5, and broadly agreed with the proposed interpretation of IAS 29.

We have reviewed the draft letter and agree with EFRAG's conclusion that it is in the European interest to adopt IFRIC 7 for application in the European Union.

Yours sincerely

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Head of Financial Reporting