



Mr. Stig Enevoldsen  
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E-mail: [commentletter@efrag.org](mailto:commentletter@efrag.org)

13 January 2010

Ref.: ACC/HvD/LF/ID

Dear Mr. Enevoldsen,

**Re.: FEE Comments on EFRAG's assessments for endorsement of the Amendments to IFRIC 14 – *Prepayments of a Minimum Funding Requirement***

- (1) FEE (the Federation of European Accountants) appreciates the invitation to comment on EFRAG's assessments of the Amendments to IFRIC 14 – *Prepayments of a Minimum Funding Requirement* ("the Amendments").
- (2) We support EFRAG providing a positive endorsement advice and we broadly agree with the assessments formulated by EFRAG, without detailed examinations by FEE of the proposals and underlying assumptions.

**EFRAG's technical assessment of the Amendments against the endorsement criteria**

- (3) In our letter to the IASB dated 8 September 2009 on the Exposure Draft Prepayments of Minimum Funding Requirement – Proposed amendments to IFRIC 14, FEE agreed with EFRAG and believed that the amendment proposed corrected the unintended consequences of IFRIC 14 with respect to prepayments.

- (4) On 26 November 2009, the IASB has issued the publication of an amendment to IFRIC 14. We support EFRAG's assessments of the Amendments against the endorsement criteria, recommending adoption.

#### **EFRAG's evaluation of the costs and benefits of the Amendments**

- (5) We broadly agree with the evaluation of the costs and benefits of the Amendments as provided by EFRAG but have not carried out a detailed examination.

#### **Assessment Process**

- (6) We believe that, in the current financial reporting environment, Europe needs to make every effort to prevent the creation of new deviations from IFRS. Furthermore, it needs to avoid to the extent possible any timing differences caused by delays in the endorsement mechanisms.
- (7) An enhanced due process for the IASB and IFRIC, improved governance of the IASB and timely and high quality European influence early in the standard setting process should result in international standards and interpretations that are acceptable for Europe. This European influence is expected to be exercised at, or before, exposure draft stage. EFRAG was created for that purpose and has the full support of FEE. As a due process is in place, at both IASB and EFRAG levels, these processes are expected to result in standards that are suitable for positive endorsement.

#### **Endorsement**

- (8) FEE supports the endorsement of the Amendments to IFRIC 14 – *Prepayments of a Minimum Funding Requirement*.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

For further information on this letter, please contact Leyre Fuertes, Project Manager.

Yours sincerely,



Hans van Damme  
President