

Mr Goran Tidström  
EFRAG  
41 Avenue des Arts  
1040 Bruxelles

Dear Mr Tidström,

UNICE, as one of EFRAG's founding fathers, has participated actively in the work of EFRAG since its inception as well as in all the discussions on how to improve the functioning of EFRAG. In this context, we are very pleased to be offered an opportunity to voice our views today.

UNICE has supported adoption of an accepted system of International Accounting rules, in order to create a level playing field for companies operating internationally. Its input to EFRAG remains based on this goal. UNICE looks for adoption of high quality standards, applicable worldwide.

For UNICE, EFRAG's main missions must remain the following:

- carry out proactive action vis-à-vis IASB and its work programme;
- advise the European Commission on endorsement of International Financial Reporting Standards.

In this context, UNICE has taken note of the document on the enhancement of the role and working process of EFRAG which we broadly support as it meets our concerns in terms of :

- restructuring and reduction of the size of the Supervisory Board;
- better definition of the role of the Supervisory Board;
- disclosure of minority views when needed;
- better liaison with national standard-setters, raising the political profile of EFRAG.
- Better consultation on political and strategic topics;
- Better interaction with IASB.

UNICE supports in particular the fact that the task of the Supervisory Board of EFRAG be extended beyond a purely trustee function to setting strategic orientations and objectives for EFRAG. For instance, UNICE would like EFRAG Supervisory Board to have discussions on the following topics :

- definition of key criteria and principles for assessment of the acceptability of IASB proposals for the EU.

- definition of criteria to assess what is considered to be "not in the European interest"?
- definition of EFRAG's understanding of "high-quality"?
- relevance of measurement attributes.

These are only a few topics on which discussions could help to set clear principles for EFRAG's work.

UNICE is also particularly welcoming the setting up of an advisory forum in order to enable stakeholders for a broader debate within Europe on the concepts that underlies IFRS as well as on their strategic political and/or economic impact.

Another point of great importance for UNICE is to ensure a better cooperation with national standards setters. The consultative forum of standards setters needs to be redynamised in order to pool expertise and resources between EFRAG and national standards setters.

Last but not least, the efficiency of the work of EFRAG depends on how it is perceived and treated by the IASB if EFRAG must be recognised and treated in the same way as the seven liaison standards setters.

EFRAG and the Commission should update the existing memorandum of understanding on agree on a protocol setting out the undertakings of EFRAG towards the EU as well as modalities for a financial support.

Yours sincerely,

 Best regards

Jérôme P. Chauvin  
Director, Company Affairs Department