

6 November 2009

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

Dear Mr Enevoldsen

Invitation to comment on EFRAG's draft endorsement advice and draft effects study report on IFRS 9 *Financial Instruments* relating to classification and measurement of financial assets

The European member firms of Deloitte Touche Tohmatsu are pleased to respond to the European Financial Reporting Advisory Group's invitation to comment on EFRAG's draft endorsement advice and draft effects study report on IFRS 9 *Financial Instruments* relating to classification and measurement of financial assets (IFRS 9). We understand that this assessment is made as part of the EFRAG's advice to the European Commission as to whether IFRS 9 should be endorsed for use in the European Union in accordance with Regulation (EC) 1606/2002.

Deloitte participated in the IASB's due process, including submitting a detailed comment letter to the IASB on the exposure draft ED/2009/7 *Financial Instruments: Classification and Measurement* issued in July 2009: this comment letter is available on the IASB's website for the project comment letters (CL 155) and on IASPlus.com. Deloitte also participated in the IASB's roundtable discussions on the financial instruments project held in London on 10 September 2009.

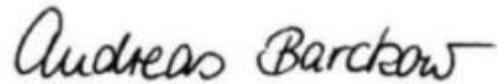
We support endorsing IFRS 9 for use in the European Union and believe that endorsing the IFRS would be in the European interest. We believe that it is important for Europe to endorse IFRS 9 in order to send a clear and unambiguous message of support for a mixed measurement model for financial instruments based on the business model that an entity applies.

We are satisfied that the IASB executed faithfully all steps in its due process in developing this IFRS. In particular, we note and commend the IASB for the scale of the stakeholder engagement that the IASB undertook to complete its work, including regular meetings with European institutions and prudential supervisors, the Economic and Monetary Council (ECOFIN), the Economic and Monetary Affairs Committee (ECON) of the European Parliament as well as maintaining close contact with the EFRAG and European Commission staff.

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Should you have any questions concerning this letter, please contact any of the following, who lead Deloitte IFRS activities in Europe.

Kind regards



Prof Dr Andreas Barckow
Global IFRS Office—Frankfurt



Veronica Poole
Global IFRS Office—London



Laurence Rivat
Global IFRS Office—Paris/ Madrid