To: Steven Maijoor
Chairman
ESMA
103 rue de Grenelle
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Subject: **Consideration of Materiality in Financial Reporting**

Brussels, 30 March 2012

Insurance Europe welcomes the opportunity to comment on the Consultation by ESMA on "Consideration of Materiality in Financial Reporting". We acknowledge that materiality is an important concept in financial reporting around the world and are pleased that the ESMA shares this view.

We strongly believe that the International Accounting Standard Board (IASB) is the most suitable organisation to develop the principles in IFRS that define materiality and we would encourage the ESMA being an advisor to them in that respect.

As materiality is already a heavily relied upon principle on a global scale based on IASB work we do not see the need for EU specific guidance by the ESMA. We want to point out that we believe in a principle based approach as opposed to simple uniform quantitative measures.

We do share the view that it is important that preparers, users, auditors, regulators and all other stakeholders to the financial report have the same common understanding of materiality. We are appreciative of the ESMA's efforts in fuelling this debate and providing the IASB with the results of this consultation.

We also support a parallel initiative by the EFRAG to help the IASB develop principles to guide disclosure requirements in IFRS. Like the ESMA's paper, the EFRAG aims to make disclosures more relevant for users while ensuring that only useful information is disclosed

Please do not hesitate to contact us if you wish to discuss our comments further.

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