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By email to:
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19 July 2024

Dear Ms Wallace

Response to Invitation to Comment on the UKEB Draft Comment Letter – Exposure Draft *Contracts for Renewable Electricity (Power Purchase Agreements (“PPAs”))*

KPMG in the UK (“we”) welcome the opportunity to respond to the UK Endorsement Board’s (UKEB) invitation to comment on the Exposure Draft *Contracts for Renewable Electricity: Proposed amendments to IFRS 9 and IFRS 7* (“the ED”), which was published by the IASB on 8 May 2024.

We appreciate the IASB’s efforts to address the accounting challenges of PPAs by clarifying how “own-use” requirements would apply and to enable more effective hedge accounting under IFRS 9 where these agreements are used as hedging instruments.

KPMG International Financial Reporting Group (IFRG) will respond to the IASB consultation on behalf of the network of KPMG member firms in due course.

In advance of that response, KPMG in the UK consider that the proposals in the ED will improve the usefulness of information provided about PPAs in financial statements. We consider that the own-use exemption in IFRS 9 is an exception which has been included on pragmatic grounds. We agree with the extension of this exception, as proposed in the ED, on similar pragmatic grounds.

We have no other significant comments on the main observations and recommendations noted in the UKEB’s draft comment letter.

Yours sincerely

KPMG LLP