

**Organismo Italiano di Contabilità – OIC
(The Italian Standard Setter)**
Italy, 00187 Roma, Via Poli 29
Tel. +39 06 6976681 fax +39 06 69766830
e-mail: presidenza@fondazioneoic.it

EFRAG
35 Square de Meeûs
B-1000 Brussels
BELGIUM
commentletter@efrag.org

21 December 2017

Re: ED/2017/6 Definition of Material - Proposed amendments to IAS 1 and IAS 8

Dear Jean-Paul,

We are pleased to have the opportunity to provide our comments in order to contribute to the finalisation of your comment letter in response to the IASB ED Definition of Material – Proposed amendments IAS 1 and IAS 8 (the “ED”).

We welcome the IASB’s project to remove the existing misalignments in the definition of “material” in IFRS Standards and in the forthcoming revised Conceptual Framework. Moreover, we agree with using, as starting point, the wording of the Conceptual Framework, as it clarifies which are the users to whom the financial statements are directed in the first instance.

However, we are not convinced that the reference to the “obscuring” is necessary and helpful and we believe it should be more carefully investigated. We are concerned that this introduction could lead to unintended consequences, as the concept of obscuring seems unclear and open to different interpretations and inconsistent applications from the stakeholders.

Furthermore, the definition of material in the forthcoming Conceptual Framework will still be different from the one proposed in the ED, as the former refers to the information contained in the ‘financial report’, rather than the one in the financial statements. Since we believe that IFRS should be applied to financial statements, we support the definition proposed in the ED and the alignment of the wording in the Conceptual Framework.

Finally, the definition of material is currently repeated in several places. We believe that providing the definition of material (and the related guidance) in one place could be a more effective solution.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,
Angelo Casò
(Chairman)