

EFRAG – European Financial Reporting Advisory Group
35 Square de Meeûs
B-1000 Brussels
Belgium
Att.: Roger Marshall and Patricia McBride
By e-mail: Commentletters@efrag.org

12 January 2016

Dear EFRAG Board,

Draft IFRIC Interpretations DI/2015/1 and DI/2015/2

The Danish Accounting Standards Committee set up by FSR – danske revisorer considered these issues during its December 2015 meeting. Our comments are:

DI/2015/1, Uncertainty over Income Tax Treatments

The purpose of the draft interpretation is to remove existing inconsistencies in accounting for uncertain income tax treatments. According to the EFRAG Draft Comment Letter, the EFRAG agrees with the draft interpretation.

We support the EFRAG Draft Comment Letter. However, we find that the IFRIC interpretation should also deal with the treatment of interests and fines (tax code penalties) related to uncertain tax positions.

We suggest that the term “consider uncertain tax treatments collectively” (e.g. in section 10 and BC 10) should be explained further, e.g. by an illustrative example.

The term “probable” is not defined in IFRS standards besides IAS 37. What does it mean? Is it a higher threshold than “more likely than not”?

We would like to add that the IASB should continue its work on updating IAS 37 to avoid inconsistencies and uncertainties in interpretation of criteria for recognition of different kinds of liabilities.

DI/2015/2, Foreign Currency Transactions and Advance Considerations

The purpose of the draft interpretation is to reduce the identified diversity in accounting for foreign currency transactions in which consideration was received or paid in advance of the recognition of the related asset, expense or income.

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According to the EFRAG Draft Comment Letter, the EFRAG agrees with the draft interpretation. We fully support the EFRAG Draft Comment Letter.

If you like a clarification or wish to discuss the matters with us, please do not hesitate to contact us.

Kind regards

Jan Peter Larsen
Chairman of the Danish Accounting
Standards Committee

Ole Steen Jørgensen
Chief Consultant