



EFRAG  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

Oslo, April 28<sup>th</sup>, 2014

Dear Sir/Madam

## **EFRAG Bulletin on complexity**

The Norwegian Accounting Standards Board (NASB) welcomes the opportunity to respond to the EFRAG Bulletin on complexity.

In our view, the bulletin contains a valuable discussion on the problem of complexity in financial reporting. The distinction between avoidable and unavoidable complexity is instructive, and we agree that the topics listed in para. 16 are good examples of avoidable complexity. We appreciate in particular that the accounting standards' anti-abuse measures are included in these topics. In our view, anti-abuse measures should not be part of accounting standards, because they rather belong to the interaction between companies and their auditors. Current accountings standards contain both disciplinary hurdles, like the hedge effectiveness test referred to in the bulletin, and disclosure requirements that apparently are designed to demonstrate compliance with the standard.

We also think that the reference to introduction of new terms and concepts, and the inconsistent use of established terms, is a useful reminder for standard setters. With the aspiration of IFRS as global standards, it is necessary that the authors of original standards in English language also pay some heed to the consequences for translations.

While we obviously agree with an objective to limit complexity as much as possible, we do not agree with a proposal to include barriers towards complexity in the Conceptual Framework. We also do not think that a discussion on complexity belongs to the Framework. We think, as the German standard setter, that the Framework already contains sufficient measures against complexity. We prefer the bulletin to remain a stand-alone document which, if supported by enough constituents, can be used as a reference in future discussions on specific standards, e.g. in the ASAF.

Yours faithfully,  
**Norsk RegnskapsStiftelse**

Erlend Kvaal  
Chairman of the Technical Committee on IFRS of Norsk RegnskapsStiftelse