

EFRAG 2018 Research agenda consultation

Response ID:152 Data

2. General information about the respondent

1. Please tell us:

Your name:

Prof. Dr. Romuald Bertl

Email address:

kristoffer.uhlenkamp@uni-graz.at

If you are responding for an organisation, please indicate the name and type of organisation and a short description of activity/industry:

Austrian Financial Reporting and Auditing Committee – AFRAC

Job title/role:

Chairman

Country:

Austria

Please state which country:

2. Main countries of operation:

3. General questions

3. Do you have suggestions on how EFRAG could substantiate the influence of its Research activities in general, and individual projects in particular, on the IASB's work?

The influence on the IASB should be directed at topics relevant to Europe and should ensure that the IASB develops its projects considering the preferred or acceptable solutions for European constituents.

We believe that high-quality work and compelling arguments are the best way to influence the IASB's work. Joining forces with standard-setters or groups of standard-setters outside the EU can also help.

4. What is your assessment on the use of evidence by EFRAG in its recent Research? Do you have suggestions on how to improve it?

It is clear that accounting standard-setting should be done more evidence based. The evidence is needed to assess the potential and expected consequences of future standards.

Evidence can be descriptive, e.g. assessing the pervasiveness of an accounting issue or the potential effects of a change in a standard on accounting figures, like it was carried out by EFRAG concerning IFRS 16. Such evidence is useful to educate preparers and users about the mechanic effects of a new standard. Perhaps even more important can be studies that provide more insights into economic consequences of a new standard, because, presumably, entities will change their decisions in response to the standard. Such analyses require econometric knowhow to identify such effects.

It would also be useful to obtain a better understanding of how to assess the effects on the European public good.

4. List of potential topics

5. For each project listed above, please indicate how important or urgent you consider it to be for European constituents (5 being most important) and how likely you consider that the project could reach a useful conclusion within a reasonable time frame (5 being most likely).

	Importance to European constituents	Likely to reach a useful conclusion in time
Better information on intangible assets	5	5
Cryptocurrencies	5	5
Derecognition	4	4
Transaction-related costs	3	4
Variable and contingent payments	2	2

6. Please provide any additional comments or explanation of your rating for the projects listed above.

- (a) Is the project topic an important or urgent matter to European constituents?
- (b) Is the project likely to reach a useful conclusion in a reasonable time?
- (c) How would an EFRAG Research project interact with projects from other organisations, including (but not limited to) the IASB?

Intangible assets:

- (a) Yes. Information about intangibles has been a big issue for a long time and is now even increasingly important.
- (b) Yes. To give the focus on improving information by disclosures, rather than on recognition and measurement, seems promising.
- (c) To synthesize other initiatives, including the IASB's Disclosure Project, would be a good start.

Cryptocurrencies:

- (a) Yes. This issue is urgent from a global point of view.
- (b) Yes. We believe it must be done quickly.
- (c) To synthesize other initiatives would be again a good start.

Derecognition:

- (a) It is important, particularly given the many structuring opportunities in practice. Yet, we think it is less important than the two topics listed above.
- (b) Yes.
- (c) Consistency of different standards should be of importance to the IASB.

Transaction-related costs:

- (a) No. While there is clearly inconsistency across standards, the effect is generally less material than other issues. Simplification in using IFRS might be the most beneficial outcome.
- (b) Yes.
- (c) Consistency of different standards should be of importance to the IASB.

Variable and contingent payments:

- (a) No.
- (b) No. There are too many specific issues that need to be solved.

(c) Consistency of different standards should be of importance to the IASB.

7. Are there other topics that you advise EFRAG to add to its Research agenda? If so, please provide a description of the topic and what the objective of an EFRAG Research project should be.

1. Equity and liability distinction:

(a) Yes. There are specific European peculiarities.

(b) Yes.

(c) The IASB is working on this theme, so it may be too late for a research project to contribute to the IASB's work.

2. Uncertainty in financial reporting:

This could be a broader theme, which also includes the topic of variable and contingent payments. There has been quite some thinking during the development of the Conceptual Framework, however, little result was achieved.

Assessing this topic similar to the others mentioned above results in the following:

(a) Yes.

(b) No. It would not be easy in the short-term, but probably rewarding in the long-term conceptual thinking.

6. Thank You!

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May 29, 2018 04:35:40 Success: Email Sent to: cristina.rodriquez@efrag.org

New Send Email

May 29, 2018 04:35:40 Success: Email Sent to: kristoffer.uhlenkamp@uni-graz.at