



IAS 23 Amendments  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom  
Email: [CommentLetters@iasb.org](mailto:CommentLetters@iasb.org)

cc: [info@efrag.org](mailto:info@efrag.org) ; [ff@unice.be](mailto:ff@unice.be)

Stockholm, September 22, 2006

## Exposure Draft Amendments to IAS 23 *Borrowing Costs*

The Swedish Enterprise Accounting Group (SEAG) is a forum for Chief Accountants from the largest Swedish listed companies. SEAG is administered by the Confederation of Swedish Enterprise, to which most participating companies of SEAG are joined.

Representing preparers' point of view, SEAG welcomes the opportunity to comment on the abovementioned exposure draft.

All in all, we do not see any benefits with the draft and suggest that it should be elaborated on further. Instead we look forward to comment on a new draft, based on an in-depth consideration of the issue. .

We regard the draft as unproductive in relation to the convergence process in the sense that it does not eliminate to the relevant entities the burden of reconciliation to US GAAP. Instead it reinforces the impression of IASB adopting a too short term, interimistic policy of issuing changes to existing standards without proper regard to the underlying adjustment requirements facing the companies – changes that nevertheless are expected to have a very short life-cycle. In the case of IAS 23 it seems obvious to us that the issue of accounting for borrowing cost will have to be coped with in a joint standard by the IASB and the FASB. Moreover, in our view, IAS 23 allows already in its present shape for the same capitalisation of borrowing costs as would be achieved by applying the proposed amendments. Even in this sense the draft is unproductive.

We therefore adhere to the analysis made by Unice in its comments to the proposed draft, concluding that the amendment

1. does not achieve real convergence,
2. creates an administrative burden with no added value for the users, and
3. hits all IFRS compliant entities in Europe although the change is aimed at benefiting only a small number of them.

We strongly support the recommendations to IASB made by Unice on the way forward regarding IAS 23. We see the IASB announcement of postponing new

standards to become effective until 2009 as beneficial for a more in-depth consideration of what would be required from an amended standard on borrowing costs.

We are pleased to be at your service in case further clarification to our comments will be needed.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE

Carl-Gustaf Burén  
Secretary of the Swedish Enterprise Accounting Group