

4. February 2014

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir or Madam

Re: Exposure Draft ED/2013/11 Annual improvement to IFRSs 2012-2014 cycle

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its views on the exposure draft *Annual Improvements to IFRSs 2012-2014 Cycle*.

We generally agree with the proposed changes that we find appropriate to address in the annual improvement project. We have some comments to the wording of some of the amendments, and would recommend changes to the transition provisions for the IFRS 7 amendment related to servicing contracts.

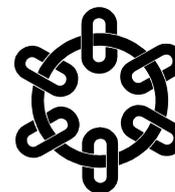
See the attachment to this comment letter for our response to the specific questions raised in the exposure draft.

Please do not hesitate to contact us if you would like to discuss any specific issues addressed in our response.

Yours faithfully,

Didrik Thrane-Nielsen
Vice Chairman of the Technical Committee on IFRS of Norsk RegnskapsStiftelse

CC: EFRAG



IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*

Question 1 – Proposed amendments

We agree with the proposed changes. It is useful that the standard addresses changes to a plan of distribution and reclassifications from “held for sale” to “held for distribution”. We agree that the change from one method of disposal to another should not be considered a new classification, but a continuation of the same classification, presentation and measure requirements.

Question 2 – Transition provisions and effective date

We emphasise that in our opinion, the amendment represent a clarification, and that it also under the current IFRS 5 will be possible, and most appropriate, to account for a change from “held to sale” to “held for distribution” without applying the provisions relating to changes to a plan to sale in IFRS 5.27-29. When the transition provision is “prospective”, there is a risk that someone could interpret this to mean that the provisions of IFRS 5.27-29 must be applied to account for a change from “held to sale” to “held for distribution” under the current IFRS 5. As the transition provisions allows for early application, this is unlikely to cause problems in practice. We therefore have no objection to the proposed transition provisions or effective date.

IFRS 7 *Financial instruments: Disclosure*

Servicing contracts

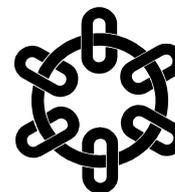
Question 1 – Proposed amendments

We agree with the proposed changes. A servicing contract with a fee, where the amount or timing of that fee depends on the amount or timing of the cash flows collected from the transferred financial assets, creates an implicit interest in the transferred asset and thus represents continuing involvement in the transferred asset. It should be noted that we believe that this is the case also under the current IFRS 7, and we see this amendment as a clarification and not as a change.

We would however ask the IASB to see if the wording of IFRS 7.B30A could be improved. The paragraph does not establish a principle for when a servicing contract represents continuing involvement, but gives examples. We believe that the paragraph should establish a principle. For example, the basis for conclusion establishes that there is continuing involvement “if the amount and/or timing of the servicing fee depend on the amount and/or timing of the cash flow collected from the transferred financial assets” (BC3). We do also question if it is optimal to have an assumption that a servicing contract generally represents continuing involvement. In our opinion, it would be better to state a principle rather than a rebuttable assumption.

Question 2 – Transition provisions and effective date

We disagree with the proposed transition requirements that do not require disclosure for the comparative period. In general we believe full retrospective appliance should be the “main rule”. We understand that the reason for the allowing an exemption for the disclosure of the comparative period, is that it can be difficult to determine the fair value of the servicing asset or liability at a previous date without using hindsight. However, as the proposed effective date is January 1, 2016, we believe the entities will have sufficient time to prepare for the new disclosure requirement and provide the information needed without using hindsight. Furthermore, we believe the amendment is a clarification



and not a new disclosure requirement. We therefore find full retrospective application to be most appropriate.

Applicability of the amendments to IFRS 7 to condensed interim financial statements

Question 1 – Proposed amendments

We agree with the proposed changes. Requirements of disclosure in interim financial statements should be included in IAS 34 *Interim financial reporting*.

Question 2 – Transition provisions and effective date

We agree.

IAS 19 *Employee Benefits*

Question 1 – Proposed amendments

We agree.

Question 2 – Transition provisions and effective date

We agree with the transition provisions that require the amendments to be applied retrospectively. In general we believe that retrospective application should be the main rule. For this amendment we do not see any reason for not applying the amendment retrospectively, and we agree with the suggested transition provisions.

IAS 34 *Interim Financial reporting*

Question 1 – Proposed amendments

We agree with the proposed amendment. Disclosures that are part of the financial statements should be included in the financial statements or incorporated by reference.

Question 2 – Transition provisions and effective date

We agree.