



Françoise Flores
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Dear Françoise

Re: EFRAG draft comment letter on the IASB ED/2010/5 *Presentation of Items of Other Comprehensive Income (Proposed amendments to IAS 1)*

The Confederation of Danish Industries (DI) appreciates the opportunity to comment on EFRAG's draft comment letter on the above exposure draft.

DI is the voice of Danish industry, representing more than 10.000 companies within manufacturing, trade and service industry. DI represents 25 percent of the companies listed on the Nasdaq OMX Copenhagen Exchange, including more than 50 percent of the large cap index.

DI is pleased that EFRAG shares our fundamental views on this ED being an unnecessary and poorly timed attempt to push one of many controversial elements of the Financial Statement Presentation Project through the approval process ahead of the rest of project. We therefore wish to voice our general support to the draft comment letter prepared by EFRAG thus adding a few comments below which we find relevant for the final comment letter.

Paragraph 10 (a) and (c)

It is our opinion that comments 10 (a) and (c) related to EFRAG's response to Question 1 should be deleted.

- Paragraph 10 (a): Changing the sum of the Income Statement and the Statement of Other Comprehensive Income from 'Total comprehensive income' to 'Profit or loss and other comprehensive' seems unnecessary. We prefer to maintain the term 'Total Comprehensive Income' as a description of the product of both statements.
- Paragraph 10 (c): As it is suggested amended to IAS 1.IG5 the examples are prepared with different titles and terms to illustrate the different options and different presentation options. We find this to be useful and would encourage

IASB to include more detailed examples rather than deleting those already included.

Other Comprehensive Income

Disaggregation of items of Other Comprehensive Income is already quite detailed with the currently effective standards. It is our opinion that the current presentation of items of Other Comprehensive Income is not ideal. The presentation in both Statement of Other Comprehensive Income and in Statement of Changes in Equity of these items is unnecessary and does not provide additional useful information.

If IASB wants to improve the level of disclosure on items of Other Comprehensive Income they should focus on the cumulative balance on each item instead of only the movement in the period. Most Statements of Changes in Equity are not prepared with enough detail to provide this information as well as it is mixed up with transactions with the owners in their capacity as owners. This overview could easily be provided in the notes. This could be done together with the mandatory specification of tax per item which could be moved exclusively to the notes creating increased comparability of the Statement of Other Comprehensive Income all across.

The idea of disaggregating the items of Other Comprehensive Income into which are to be recycled in the future and which are not, is in our opinion both arbitrary, not well thought out as well as we find that it does not create additional useful information without the cumulative overview mentioned above. If this is to be implemented it would be useful if IASB would supply detailed guidance on what goes where since most items of Other Comprehensive Income can be recycled under the currently effective standards, including gains on property revaluation which is recycled when completing a step-acquisition but classified as never to be recycled in the illustrative example. Also in case of a disposal of an investment/entity, recycling of cumulative foreign exchange adjustments is required on the parent company's share of the net assets. We find it highly likely that this desegregation will make it very difficult to communicate externally the effects of the transactions just mentioned.

It is therefore our suggestion that instead of further disaggregating items of Other Comprehensive Income IASB should focus on providing useful information to the users of financial statements on what the future potential effect in Profit or Loss currently is i.e. disclosing the cumulative balance of these items.

We hope that EFRAG will take our comments and suggestions into consideration and urge you to contact us if you wish to further discuss these.

Yours sincerely

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The confederation of Danish Industries