

19 December 2014

EFRAG
35 Square de Meeûs
B-1000 Brussels
Belgium

Dear Sir/Madam

**EFRAG Short Discussion Series
PRESENTATION OF THE REVERSAL OF ACQUISITION “STEP-UPS”**

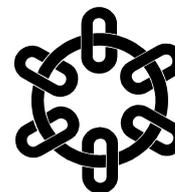
Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its views on EFRAGs Short Discussion Series paper *Presentation of acquisition “step-ups”* (hereinafter referred to as the DP)

We believe that fair value is the appropriate measurement basis for assets acquired in a business combination. Thus, we do not support a new generic requirement to provide information on the reversal of acquisition step-ups. However, we acknowledge that this information is relevant to some entities, and therefore believe that it should be permitted to disclose the information, if the information is regarded relevant and material to the users of its financial statements.

Our comments to the detailed questions are laid out in the appendix to this letter. Please do not hesitate to contact us if you would like to discuss any specific issues addressed in our response, or related issues, further.

Yours faithfully,

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



Appendix

Questions to constituents

Q1 Do you believe that the IASB should introduce new requirements to improve the information on the reversal of acquisition step-ups? If not, why not?

We believe that fair value is the appropriate measurement basis for assets acquired in a business combination. Thus, we see no reason for separate presentation of the reversal of the step-up in comprehensive income, and certainly not to require the step-up to be presented as part of other comprehensive income, or by offsetting the revenue and cost of goods sold, for the performance of the acquiree until the acquisition date.

However, we acknowledge that this information may be relevant to some entities. We are also aware that some entities provide this type of information, and that analysts of some entities request this information, for the reasons laid out in the DP. However, we do not support a new generic requirement to provide information on the reversal of acquisition step-ups. Rather, we believe that that entities should be permitted to disclose this information, if the information is regarded relevant and material to the users of its financial statements.

Note that we do not see a strong basis for restricting this issue to step-ups that arise through business combinations, or to particular types of assets (such as inventories) acquired as part of a business combination. Furthermore, we do not believe that the DP provides a good argument for making such a distinction. Thus, if the IASB decide to provide guidance on this issue, we believe it should be generally applicable across various types of entities, and independent on the nature of the asset and how the asset was acquired.

Q2 Which of the alternatives illustrated in the paper do you support? What is your reasoning?

We believe that entities should be permitted to apply alternative d), if the information is regarded relevant and material to users of its financial statements.

We do not support the other alternatives, for the reason laid out in our answer to question 1.