Norsk RegnskapsStiftelse

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Oslo, Desember 15th 2008

Dear Sir/Madam

ED Improving Disclosures about Financial Instruments proposed amendments to IFRS 7

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) appreciates the opportunity to comment on the ED Improving Disclosures about Financial Instruments proposed amendments to IFRS 7.

Our replies to the questions in the Discussion Paper are in appendix A.

Yours faithfully
Norsk RegnskapsStiftelse

pp Siri C. Rosenblad

Erlend Kvaal
Chairman of the Technical Committee on IFRS

Appendix A (Reply to questions provided by the IASB)

Q1 Do you agree with the proposal in paragraph 27A to require entities to disclosure the fair value of financial instruments using a fair value hierarchy? If not, why?

We support the proposal to require entities to disclose fair value measurements using a fair value hierarchy.

The fair value hierarchy proposed is derived from SFAS 157 and the discussion paper on fair value measurement issued by the IASB. On the one hand, we find it premature to adopt a hierarchy only suggested in a discussion paper. On the other hand, we do not think the suggested fair value hierarchy is materially different from the one in IAS 39, and therefore we support the proposal. However, our support is contingent on IAS 39 being amended to ensure consistency with IFRS 7. Such a consequential amendment is necessary in order to avoid potential confusion.

Q2 Do you agree with the three-level fair value hierarchy as set out in paragraph 27A? If not, why? What would you propose in stead, and why?

Please see our comment above.

Q3 Do you agree with the proposal in:

(a) paragraph 27B to require expanded disclosure about the fair value measurement recognised in the statement of financial position? If not, why? What would you propose in stead, and why?

(b) Paragraph 27C to require entities to classify, by level of the fair value hierarchy, the disclosures about fair value of the financial instruments that are not measured at fair value? If not, why? What would you propose in stead, and why?

We agree with the proposed amendments. We would however suggest that the Board in paragraph 27B(c) reconsidered the introduction of the term "unrealised". We take the equivalent IFRS term to be changes in fair value for the period.

It looks like there is a print error in the example in IG13B (CU million 4 in other comprehensive income is to be moved from AFVTPL to AFS and ending balances has to be adjusted).

Q4 Do you agree with the proposal in paragraph 39(a) to require entities to disclose a maturity analysis for derivative financial liabilities based on how the entity manages the liquidity risk associated with such instruments? If not, why? What would you propose in stead, and why?

We do support this proposal, but would like the Board to clarify as to whether an entity is required to disclose such an analysis if they do not have a "strategy" or explicit approach to manage the liquidity risk associated with the derivative financial liabilities (for example an entity which do not have many derivative financial liabilities). We would also like to get a clarification of which instruments in addition to loan commitments and financial guarantees that the Board have in mind when using the term "(including financial instruments that would meet the definition of a derivative financial liability if they were recognized)" in paragraph B11C.

Q5 Do you agree with the proposal in paragraph 39(b) to require entities to disclose a maturity analysis for non-derivative financial liabilities based on remaining expected maturities if the entity manages the liquidity risk associated with such instruments on the basis of expected maturities? If not, why? What would you propose in stead, and why?

We agree with the proposed amendments.

Q6 Do you agree with the amended definition of liquidity risk in appendix A? If not, how would you define liquidity risk, and why?

We agree with the proposed amendments.

Q7 Do you agree with the proposed effective date? If not, why? What would you propose instead, and why?

We do believe it could represent a major burden for entities to prepare comparative disclosures for 2009 since it sometimes would be necessary to implement system changes or similar in order to extract the necessary information. It is expressed in BC 13 in the exposure draft that "the urgent need for enhanced disclosures about financial instruments demands earlier application". Even though we agree with this view we do believe entities should be relieved from the requirement of providing comparative disclosures in the first year of applying the amended standard.

Q8 Are the transition requirements appropriate? If not, why? What would you propose instead, and why?

See our answer to Q 7. We propose that entities should be relieved from the requirement of providing comparative disclosures in respect to the amended disclosures.