

# Rådet för finansiell rapportering

The Swedish Financial Reporting Board

RFR-rs 2010:01

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

Dear Sirs,

## Re: Exposure Draft ED/2009/6 Management Commentary

This is the Swedish Financial Reporting Board's response to your invitation to comment on the Exposure Draft Management Commentary.

We do not agree with the need to issue guidance for Management Commentary, mainly due to the reasons commented further below. Also, since the ED refers to the SEC guidance on Management's Discussion and Analysis (MD&A) it is our view that companies headquartered in countries without legislation in this area could look to this MD&A guidance if and when external guidance is needed.

Many jurisdictions today have formal requirements on information similar to what is now proposed by the IASB. An example of this is that the Annual Accounts Act requires a Swedish company to issue a Board of Directors' report, with content similar to the content of the Exposure Draft on Management Commentary. A company listed in the US also has to issue a M&DA report in for example a 20F-filing. Adding a third set of guidance that might be regarded as a standard, even though it is formally non-binding, would further complicate for a company when writing "management comments". A solution, where successful outcome can be doubted due to existing legislation in many countries, to this would be to define one global standard in this area. Due to that many other changes to IFRS are planned for the coming years it would, in our view not be correct to prioritize such a project.

There are already today established requirements for different business sectors based on communication between preparers and users, mainly analysts. These requirements develop over time, based on changes in the business environment and content of offerings (products and services) from the companies/preparers. We therefore see no need to formalize the content of communication, and especially not by a financial reporting standard-setter, such as the IASB.



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If the IASB should still decide to issue a document we wish to point to some principal concerns:

- The new concept of issuing a guidance needs to be further addressed since the status of such a document will otherwise be very unclear.
- IFRS requirements today, with a few exceptions in certain disclosures, relate to the reporting period that has passed or amounts related to the last day of a period. A recommendation by the IASB to give guidance on the future would mean a new and fundamentally different approach under IFRS. Financial information under IFRS shall, in our view, serve as the base for forecasts made by users. Any change towards future orientation must be addressed in the Framework project prior to be included in a specific standard or guidance.

If you have any questions concerning our comments please address our Executive member Carl-Eric Bohlin by e-mail to: [carl-eric.bohlin@radetforfinansiellrapportering.se](mailto:carl-eric.bohlin@radetforfinansiellrapportering.se)

Stockholm, January 18, 2010

Kind regards,



Anders Ullberg  
Chairman