



International Accounting Standards Board
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30 November 2011

IASB AGENDA CONSULTATION 2011

Confederation of Finnish Industries is thankful for the possibility to provide comments to the IASB's agenda consultation. It is very important that the IASB wants to receive input from different stakeholders with regard this issue. We support in general the comments provided by BusinessEurope, but we wish to emphasize few points in our own comment letter. Please find our comments below.

Continuous change of standards unsatisfactory

Based on the comments we have mainly received from the representatives of Finnish listed companies, one point of concern is that there are too many projects to change the IFRS -standards on the IASB's agenda and many times the reasons behind the necessity to change certain standard are not known to the companies. In addition, sometimes the proposed changes seem to be unnecessary or even challenging to be implemented in practice. Because of the numerous large projects on the IASB's agenda and the fact that companies will continuously have to adapt and change their functions and practices to meet the changing situation, the situation at the company level is unsatisfactory.

Period of calm, evidence based agenda setting and concrete arguments

Based on the arguments above, we are of the opinion that a period of calm as regards the changes to standards is needed after the biggest ongoing projects (Lease, Revenue recognition, etc) have been finalized. Companies need to have time to adapt their systems to the major changes and therefore it is necessary not to overburden companies with additional work. Secondly, we share the opinion of BusinessEurope that the agenda setting for the IASB in the future should be evidence based with strong concrete points and arguments why something needs to be changed. It is very important that a proper cost / benefit analysis or survey is done before any proposal for change is made. The reasons behind the change need to result from an actual or factual problem or issue. In relation to this, we think that stakeholders should have the possibility to present their views whether certain issues should be processed further or not.

Hannu Ylänen

30 November 2011

Concrete questions for agenda setting

With reference to the agenda setting process in general, it has been somewhat problematic for companies to present their views on very general level questions on the agenda setting process and on the future of certain projects. A smaller survey based on your agenda consultation was initiated here in Finland towards the listed companies and the amount of input received was minimal. The reason for this was that the questions were not concrete enough. Companies are focused on details and concrete issues of certain standards and therefore the agenda setting consultation in the future should be formulated to deal with questions on certain concrete, smaller scale issues with strong arguments for the need of the change. That way also the company representatives could find the "pre-agenda" consultation or questionnaire more appropriate and useful.

Standard setting activities in the future

Based on the limited information we have received on specific activities that should be promoted in the future, few activities that gained support were conceptual framework, financial instruments with characteristics of equity -project, business combinations between entities under common control and the development of principles for disclosure requirements. In addition it would be important that the IASB should further assess and work with the concept of "performance" in order to assess the theoretical difference between the actual performance and the items of a more broader performance -concept.

We are of the opinion that projects that are not part of financial reporting should not be promoted on the agenda, such as country-by-country -reporting and integrated reporting.

Yours sincerely

Confederation of Finnish Industries



Jukka Ahtela
Director