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Banking supervision
And Accounting issues Unit

The Director

Paris, April 16th 2014

FBF Comments on EFRAG's Draft Comment Letter on the IASB's ED/2014/6 "Disclosure Initiative, Proposed amendments to IAS 7".

Dear Mr. Marshall,

The FBF takes the opportunity to comment on EFRAG's Draft Comment Letter on the IASB's ED/2014/6 "Disclosure Initiative, Proposed amendments to IAS 7".

We understand that EFRAG is seeking input from constituents on the IASB's exposure draft as different views have emerged.

We consider that cash flow statements are of little value to the users of the financial statements of financial entities. Cash flow statements are not normally used as a management tool by the banking industry to assess banks' liquidity and banks' ability to generate cash flows. Therefore, should be discussed first the relevance for financial institutions to publish a cash flow statement.

We also believe that objectives and principles for IFRS disclosures should be defined first. The users' requests should be addressed within the Disclosure Initiative rather than through narrow-scope amendments to IAS 7. Moreover, information on liquidity and funding already published is more relevant than a reconciliation of a net debt. Similar disclosures on restrictions on the ability to use cash and cash equivalent are already required.

For these reasons, we advocate EFRAG not to support the proposals of the ED.

Mr Roger MARSHALL
Acting President of the EFRAG Board
European Financial Reporting Advisory Group
35 Square de Meeûs
B-1000 Brussels
Belgium

We agree with EFRAG's comments about IFRS Taxonomy. IFRS XBRL taxonomy should not be part of the standard-setting process as XBRL is a language supporting electronic communication of financial reporting.

Our comments to the questions raised by the IASB's exposure draft are in the appendix to this letter. We hope you find them useful and would be pleased to provide any further information you might require.

Yours sincerely,

Bertrand Lussigny

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Paris, April 16th 2014

FBF Comment letter on Exposure Draft (ED/2014/6) Disclosure Initiative Proposed amendments to IAS 7.

Dear Sir,

The FBF welcomes the opportunity to comment on the Exposure Draft "Disclosure Initiative Proposed amendments to IAS 7".

The ED has been published as part of the Disclosure initiative in response to feedbacks received from investors to supplement current IAS 7 disclosures on movements in debt and cash restrictions.

Generally speaking we believe that the consolidated cash flow statement is irrelevant for the financial institutions. It is not normally used as a management tool by the banking industry to assess banks' liquidity and banks' ability to generate cash flows. Indeed, although banks need cash for the same reasons as non-financial entities (investing, paying their obligation and providing returns to the investors), cash flows of banks are more interrelated and can be seen as banks products in the same way as finished goods for manufacturer industries.

Therefore, we believe that should be discussed first, the necessity for financial institutions to publish a cash flow statement. If considered as essential, then the discussion should focus on the opportunity of an optional presentation of the cash flow statement for those entities that already provide in the notes information related to their ability to generate future cash flows and related to their liquidity risks and financial flexibility.

Mr Hans HOOGERVORST
Chairman
International Accounting
Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

Thus we question the intended benefits for users. We consider that users' needs refer to more specific information rather requiring reconciliation of movements on debt.

The amendments to the statement of cash flows proposed in the ED aim at extending the disclosures about reconciliation in net debt and the liquidity of an entity and notably restrictions that affect the decisions of an entity to use cash and cash equivalent.

Similar information related to liquidity risk is already published under current IFRS. IFRS 12 "Disclosures of Interest in Other Entities" already requests to disclose significant restrictions on the ability to access of the group (paragraph 13). Paragraph 48 of IAS 7 requires disclosing cash and cash equivalent not available for use by the group. Already required disclosures would potentially be duplicated with operational burden for preparers.

Amendments to improve specific disclosures should be considered within the Disclosure Initiative in order to identify and address any overlap that may occur and to give consideration to such disclosures to be useful to investors without being confusing.

As far as integration of XBRL with the IFRS standards is concerned, we have previously expressed views that IFRS XBRL taxonomy should not be part of the standard-setting process as XBRL is a language supporting electronic communication of financial reporting.

We hope you find these comments useful and would be pleased to provide any further information you might require.

Yours sincerely,

Bertrand Lussigny