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EFRAG
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28th December 2012

Re: Toward a Measurement Framework for Financial Reporting by Profit-Oriented Entities

Dear Françoise,

We are pleased to provide our comments on your draft comment letter to the research paper Toward a Measurement Framework for Financial Reporting by Profit-Oriented Entities, issued by the Canadian Institute of Chartered Accountants in 2012.

OIC fully supports the position expressed by EFRAG in its comment letter and each answer to the single questions raised in the research paper. For this reason, we are not going to provide specific comments on Appendix 1 of the comment letter.

However, we stress the focus on a general principle that we consider of critical importance and we would like to see expressed with greater emphasis in the general comments.

In our opinion, it would be very important to clarify in the letter that the right approach to the definition of a measurement framework is based on the analysis of user needs, instead of on the abstract research of the best measurement model applicable in every circumstance. The coexistence of different measurement criteria, in some circumstances, is the only way to address the fact that different categories of users may need different information (for instance, creditors could need different information from equity investors; shareholders of investment entities have different needs from other kinds of shareholders). Even the same category could have different needs depending on the situation of the entity in which they have invested, as happens in the case of possible default. That said, we would remark that the possibility to adopt different measurement models is the only way to recognize the proper importance to the business model driver, that we think should retain an important role in the selection of the appropriate measurement criterion.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò
(Chairman)