

19th January 2016

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

Cc: EFRAG

Dear Sir/Madam

**Draft IFRIC Interpretation – Foreign Currency Transactions and Advance Consideration**

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its views on the Draft IFRIC Interpretation *Foreign Currency Transactions and Advance Considerations*.

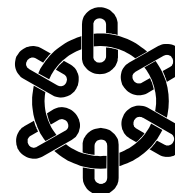
We support the initiative to clarify how to determine the date of the transaction in accordance with paragraphs 21-22 of IAS 21, and thus the exchange rate to use to translate the asset, expense or income on initial recognition, in circumstances in which a non-monetary prepayment asset or a non-monetary deferred income liability is recognized in advance of the related asset, income or expense.

Our detailed comments to the questions in the order suggested by you are set out in the appendix to this letter.

Please do not hesitate to contact us if you would like to discuss any specific issues addressed in our response.

Yours faithfully,

Erlend Kvaal  
Chairman of the Technical Committee on IFRS of Norsk RegnskapsStiftelse

**Question 1-Scope**

The draft Interpretation addresses how to determine the date of the transaction for the purpose of determining the spot exchange rate used to translate foreign currency transaction on initial recognition in accordance with paragraphs 21-22 of IAS 21.

Foreign currency transactions that are within the scope of the draft Interpretation are described in paragraphs 4-6 of the draft Interpretation.

Do you agree with the scope proposed in the draft Interpretation? If not, what do you propose and why?

We agree with the proposed scope.

**Question 2-Consensus**

The consensus in the draft Interpretation provides guidance on how to determine the date of the transaction for the purpose of determining the sport exchange rate used to translate the asset, expense or income (or part of it) on initial recognition that relates to, and is recognized on the derecognition of, a non-monetary prepayment asset or a non-monetary deferred income liability (see paragraphs 8-11). The basis for the consensus is explained in paragraphs BC22-BC33. This include the Interpretations Committee's consideration of the interaction of the draft Interpretation and the presentation in profit or loss of exchange differences arising on monetary items in accordance with paragraphs 28-29 of IAS 21 (see paragraphs BC32-BC33).

Do you agree with the consensus proposed in the draft Interpretation? If not, what do you propose and why?

We agree with the consensus proposed.

**Question 3-Transition**

On initial application, entities would apply the proposed Interpretation either:

- (a) retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; or
- (b) prospectively to all foreign currency assets, expenses and income in the scope of the proposed Interpretation initially recognized on or after:
  - (i) the beginning of the reporting period in which an entity first applies the proposes Interpretation; or
  - (ii) the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which an entity first applies the proposed Interpretation.

Do you agree with the proposed transition requirements? If not, what do you propose and why?

We agree with the proposed transition requirements.