

ICAC's comments on EFRAG's bulletins:

The role of a conceptual framework

The role of the business model in financial reporting.

First of all, we would like to remark the effort for issuing these bulletins. We think that it will encourage the necessary debate in EU in relation to new framework.

We think that these two bulletins, the role of the business model in the financial reporting and the role of a conceptual framework, present the primary questions to solve in the starting point to update the framework. These questions are:

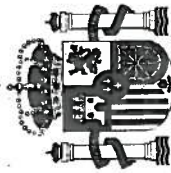
1. The framework

The framework could be defined as the concepts that underlie the preparation and presentation of financial statements, having these statements the objective of providing useful information about the entity to make economic decisions.

A complete framework needs to set up all the fundamental aspects of the economic phenomenon as elements (definition, recognition, measurement and presentation) and subjects. We think that the business model is a fundamental aspect of the framework because the useful information consists in knowing over all how the entity makes money. In our opinion there is a strong interrelation between the framework and business model.

We agree with the EFRAG that the business model has a paper in definition, recognition, measurement, presentation and disclosure of elements of financial statements.

2. The purpose of the framework



We agree that the IASB, needs to issue a robust conceptual framework in order to develop future IFRS and review the existing ones as it is said in the IASB's DP/2013/1.

We think that when developing any IFRS the IASB must follow the framework and only in a very rare and exceptional case, it could be allowed to depart from it and, if this is the case, the reason for doing so must be explicitly and sufficiently explained in the IFRS.

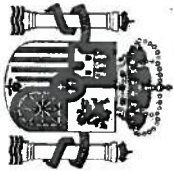
We believe that once the framework is finished, it would be convenient a complete revision of the existing IFRS in order to found inconsistencies to eliminate.

Moreover, another purpose of the conceptual framework is to help other parties to understand and interpret existing IFRS as well as to develop accounting policies when no IFRS specifically applies to a particular transaction or event.

In relation to this, one of the questions that should be resolved is if it is possible for preparers to separate from framework.

We agree that the current remission of IAS 8 is very useful. That is, when a preparer finds no IFRS to apply to an economic phenomenon it is permitted to use the framework and find the principles and other aspects needed for accounting for this fact. Besides, a preparer can depart separate from the framework in the very extraordinary situations in which there are no IFRS to apply and the framework does not work properly to present useful information to take economic decisions. In these circumstances a complete explanation will be needed.

We agree with the need to update the IAS 8, to eliminate the references to revised framework.



MINISTERIO
DE ECONOMÍA
Y COMPETITIVIDAD

INSTITUTO DE CONTABILIDAD
Y AUDITORÍA DE CUENTAS

We understand that in the EU the remission of the IAS 8 is enough in order to apply the framework in the case mentioned, even if the framework is not endorsed specifically by EU.

Ana Martínez-Pina
Chairman of ICAC

Madrid 30th september 2013

