

EFRAG
35 Square de Meeus
1000 Brussels
Belgium

By e-mail: Commentletter@efrag.org

11 March 2013

Dear Sir/Madam,

EFRAG Draft Comment Letter regarding Exposure Draft ED/2012/5, Clarification of Acceptable Methods of Depreciation and Amortisation, Proposed amendments to IAS 16 and IAS 38

The Danish Accounting Standards Committee set up by "FSR - danske revisorer" is pleased to submit the following comments:

We generally support the EFRAG DCL: EFRAG supports the idea of clarifying the current requirements regarding revenue-based methods of depreciation and amortisation. At the same time EFRAG believe that the IASB should improve the drafting of the amendments and provide all relevant guidance in the standards rather than only in the basis for conclusions. Furthermore, EFRAG believes that the IASB should focus its limited resources on making only those changes to standards that are expected to affect accounting.

We agree with EFRAG that it is strange that the IASB in the standards (IAS 16 and IAS 38) seem to remove revenue-based depreciation, however the BC seems to allow it. If the purpose is to allow the revenue-based method in special circumstances, which we agree with, it should be mentioned explicitly in the standards, not only in Basis for Conclusions. Based on our experiences we are convinced that the economic consumption of the benefits connected to an asset might in some situations be reflected by reference to the expected pattern of revenues. Therefore, the EFRAG DCL should more clearly state in the Comment Letter to IASB that the text in the standards should explicitly allow for revenue-based allocation in situations where this better reflect the pattern of consumption.

We would be happy to elaborate further on our comments should you wish so.

Kind regards

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Chairman of the Danish
Accounting Standards Committee

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