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Our ref : RJ-IASB 464 A  
Date : Amsterdam, 31 December 2015  
Direct dial : Tel.: (+31) 20 301 0391 / Fax: (+31) 20 301 0302  
Re : Request for Views 2015 Agenda Consultation

Dear Hans,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to comment and give input to the Request for Views 2015 Agenda Consultation (RfV).

EFRAG has issued a draft response to the RfV, which is attached as an appendix. We generally concur with the comments made by EFRAG but we do want to give some additional observations and provide our own input on the priorities for the coming years.

DASB identifies as the main priority the completion of the Insurance Contract Standard including a proper effect analysis and field testing so that the endorsement process in Europe can start. It is also fundamental that the new Conceptual Framework will be revised in a way that meets the objectives and devotes sufficient attention to reporting financial performance. We pointed to both priorities in our comments to the Agenda Consultation 2011. Speedy progress on the Disclosure Initiative is also desirable.

Whilst we are great supporters of IASB's maintenance activities, considering that they should be effective in supporting proper implementation of IFRS, we would advise to gauge carefully the level of change they generate in terms of cost-benefit and comparability vs consistency-over-time trade-offs. We are of the view that those trade-offs are not sufficiently positive at present and we see two aspects. The major projects like insurance and leasing appear to take too much time to complete and the IASB may need to investigate root causes for this in order to ensure that complex projects can be dealt with expeditiously. On the other hand the combination of major projects with many narrow-scope amendments and annual improvements leads to an overall perception that there are too many changes.

In relation to IASB's research activities, DASB is pleased that the IASB has adopted and implemented the evidence based standard setting approach that was recommended in response to the Agenda Consultation 2011. However, we lack visibility and understanding of the objectives the IASB pursues with its research programme and on the type of problem each project aims at solving. Providing a classification by identification of a problem analysis and the main goal for each project would be a useful step forward.

Appendix 1 to this letter includes DASB assessment of the priority for each project on the research programme and the reasons thereof based on our suggested classification.

Furthermore, in DASB's view, Post-Implementation Reviews should now be regarded as a useful tool in IASB's Research activities, helping identify what works and what is in need for improvement in current practice, regardless of the date at which a standard has been issued. Standards that keep IFRIC busy with many interpretation or clarification requests tend to qualify as candidates for Post-Implementation Reviews. At the time a Post-Implementation Review is completed, the IASB should communicate on its action plan to provide improvement where needed and discuss the level of priority the related standard setting efforts should receive.

Also DASB believes that the IASB in its research activities should build on the work of other organisations and create synergies. Leveraging on the substantial work of EFRAG and other regional and national accounting standards bodies related to standard level and research projects and also on topics not on the IASB current agenda would allow the IASB to work more efficiently.

DASB generally agrees with the criteria to prioritise the projects and allocate resources, but believes that the IASB needs to better communicate how it applies these criteria in practice in defining its work plan. An explanation of how the IASB assesses and reconsiders priorities would be helpful.

Our main suggestions and observations are further detailed in the appendix to this letter. If you would like to discuss our comments further, or if we can assist in any other way, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sampers', with a long horizontal line extending to the right.

prof. dr. Peter Sampers  
Chairman Dutch Accounting Standards Board

Appendix 1: Answers to individual questions  
Appendix 2: Draft comment letter EFRAG

- Q1 The IASB's work plan includes five main areas of technical projects:**
- (a) its research programme;**
  - (b) its Standards-level programme;**
  - (c) the Conceptual Framework;**
  - (d) the Disclosure Initiative; and**
  - (e) maintenance and implementation projects.**
- What factors should the IASB consider in deciding how much of its resources should be allocated to each area listed above?**

DASB agrees with the factors identified by the IASB for prioritisation in its work plan as mentioned on page 18; however the IASB could better communicate on how they are applied in practice. The weighting of different criteria in the final determination of priorities needs to be understood by constituents. We appreciate the objective of the IASB to make standards setting and selection of priorities in that context more clearly based on evidence. The distinction between research, standard-level and maintenance/implementation projects is helpful in guiding stakeholders to the nature and cause of projects. We note that the hurdle for adding a project to the stand-level programme is higher than for adding projects to the research programme which we wholeheartedly endorse.

- Q2 The IASB's research programme is laid out in paragraph 32 and a further potential research topic on IFRS 5 is noted in paragraph 33. Should the IASB:**
- (a) add any further projects to its research programme? Which projects, and why? Please also explain which current research projects should be given a lower priority to create the capacity for the IASB to make progress on the project(s) that you suggested adding.**
  - (b) remove from its research programme the projects on foreign currency translation (see paragraphs 39–41) and high inflation (see paragraphs 42–43)? Why or why not?**
  - (c) remove any other projects from its research programme?**

We have no immediate projects to add to the already quite comprehensive research programme but would like to comment on IFRS 5 Non-current Assets Held for Sale because we are aware of the fact that this standard leads to a significant number of issues being referred to the IFRS Interpretations Committee. As such we do not think that this warrants adding the subject to the research agenda. We would recommend initiating a Post-Implementation Review to determine root causes for these issues and decide whether they require further research or standard-level action.

We will comment on the prioritization of research projects in our reply to question 3.

With respect to inactive projects we would recommend to remove both foreign currency translation and high inflation from the research agenda. For the Netherlands work on

extractive industries is also of limited relevance but we do not make a firm recommendation on that subject in lieu of the views of countries that have more significant interests.

**Q3 For each project on the research programme, including any new projects suggested by you in response to Question 2, please indicate its relative importance (high/medium/low) and urgency (high/medium/low). Please also describe the factors that led you to assign those rankings, particularly for those items you ranked as high or low.**

In the table below we provide priorities for the individual research projects on the basis of our understanding of urgency and prevalence of these issues in current financial reporting practice. However, we also recommend giving priority to some complex projects like income taxes because it will take considerable time to come to a fundamental overhaul of IAS 12 and that should not be a hurdle to start a project.

<b>Assessment Stage projects</b>	<b>Prioritisation</b>
Definition of a Business	Medium
Discount rates <sup>1</sup>	Low
Goodwill and Impairment	Medium
Income taxes	Medium
Emissions Trading Schemes	Medium
Post-employment Benefits (notably Pensions)	Low
Primary Financial Statements (formerly Performance Reporting) <sup>2</sup>	High
Provisions, Contingent Liabilities and Contingent Assets	Low
Share-based Payments	Low
<b>Development Stage projects</b>	
Business Combinations under Common Control	High
Disclosure Initiative – Principles of Disclosure	High
Dynamic Risk Management	High
Equity Method	Low
Financial Instruments with Characteristics of Equity	Low
<b>Inactive projects</b>	
Extractive Activities	No ranking
Intangible Assets/Research and Development	Low
Foreign Currency Translation	Remove
High Inflation	Remove

**Q4 Do you have any comments on the IASB’s current work plan for major projects?**

In line with our earlier recommendations we continue to recommend that *Insurance Contracts*, the *Conceptual Framework* and the *Disclosure Initiative* keep the highest priority and are properly resourced. As we mentioned in our recent comment letter on the *Conceptual Framework* we take the view that that project can only be completed when the IASB has also

<sup>1</sup> The focus should not be on discount rates, but primarily on whether discounting should represent time-value of money only, and what the conceptual basis is for applying any premium on the time-value of money.

<sup>2</sup> Including pro-forma disclosures which are important for users of financial statements.

addressed performance reporting in a satisfactory manner. Both topics are interlinked and require a comprehensive solution.

**Q5 Are the IASB and the Interpretations Committee providing the right mix of implementation support to meet stakeholders' needs and is that support sufficient (see paragraphs 19–23 and 50–53)?**

We are generally satisfied with the responsiveness of the IASB and IFRIC with respect to concerns raised by stakeholders. We note that a strong system of quality control in the finalization of standards before publication will help avoiding the need for subsequent amendments or clarifications. Furthermore, we observe that it happens less and less that subjects are being passed over from IFRIC to the IASB and vice versa which we read as a sign that the respective roles have been well established.

The use of subsequent amendments to address lack of clarity is not only cumbersome for preparers who need to deal with continuous changes. It also risks leading to a rule-based approach. When many application issues arise, this is a sign that the IASB may need to reconsider the basic principles in the Standard, rather than trying to fix the issues on a piecemeal approach.

**Q6 Does the IASB's work plan as a whole deliver change at the right pace and at a level of detail that is appropriate to principle-based standard-setting? Why or why not?**

We continue to be concerned about the pace of change as well as the level of detail in standard-setting.

With respect to the pace of change we see two aspects. Major projects like insurance and leasing appear to take too much time to complete and the IASB may need to investigate root causes for this in order to ensure that complex projects can be dealt with expeditiously. On the other hand the combination of major projects with many narrow-scope amendments and annual improvements leads to an overall perception that there are too many changes and that the period of calm that was requested in the previous agenda consultation remains an important deliverable for the future.

DASB strongly supports the IASB's aim to develop principle-based financial reporting standards. Opponents of this view may argue that principle-based requirements cannot ensure that similar transactions are accounted for identically, both over time and across jurisdictions but we believe this to be the unavoidable cost of retaining a principle-based system. However, we observe a number of standard-setting activities at the IASB that do not seem to be fully aligned with the overall strategy of developing a single set of principle-based accounting standards, as recent pronouncements have become overly complex and detailed. DASB is not convinced – for example – that an accounting model for *Revenue from Contracts with Customers* really need extensive guidance as is contained in IFRS 15 and is extended by the proposals in the Clarifications to IFRS 15.

**Q7 Do you have any other comments on the IASB's work plan?**

We have no further comments.

**Q8 Because of the time needed to complete individual major projects, the IASB proposes that a five year interval between Agenda Consultations is more appropriate than the three year interval currently required. Do you agree? Why or why not? If not, what interval do you suggest? Why?**

DASB believes that the IASB should continue with a tri-annual agenda consultation cycle since this in practice means that there is almost five years between the starts of consecutive agenda consultations. DASB underlines that having a tri-annual indication of support for its work plan would assist the IASB in rendering accountability to the public at large and to those that provide the finance of the IFRS Foundation.

Draft comment letter EFRAG.



**DRAFT LETTER TO THE IASB**  
**EFRAG's deadline for comments is 30 November 2015 and**  
**comments are to be submitted to**  
**[CommentLetters@efrag.org](mailto:CommentLetters@efrag.org)**

[date] December 2015

International Accounting Standards Board  
30 Cannon Street  
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United Kingdom

Dear Sir/Madam,

*Re: Request for Views 2015 Agenda Consultation*

On behalf of the European Financial Reporting Advisory Group (EFRAG), I am writing to comment on and give input to the Request for Views 2015 Agenda Consultation (RfV).

As you well know EFRAG identifies as the main priority the completion of the Insurance Contract Standard including proper effect analysis and field testing so that the endorsement process in Europe can start in 2016. It is also fundamental that the new Conceptual Framework is revised in a way that meets the objectives of the revision and that significant progress on the Disclosure Initiative and Dynamic Risk Management projects is made.

In relation to IASB's Research activities, EFRAG is pleased that the IASB has adopted and implemented the evidence based standard setting approach we recommended in response to the 2011 Agenda Consultation. However we lack visibility and understanding of the objectives the IASB pursues with its research programme and on the type of problem each project aims at solving. Providing a classification by identification of the main goal for each project would be a useful step forward. Appendix A to this letter includes EFRAG's assessment of the priority for each project on the research programme and the reasons thereof based on our suggested classification.

Furthermore, in EFRAG's view, Post-implementation Reviews should now be regarded as a useful tool in IASB's Research activities, helping identify what works and what is in need for improvement in current practice, regardless of the date at which a standard has been issued. Standards who keep IFRIC busy with many interpretation or clarification requests tend to qualify as candidates for Post-Implementation Reviews. At the time a Post-Implementation Review is completed, the IASB should communicate on its action plan to provide improvement where needed and discuss the level of priority the related standard setting efforts should receive.

Also EFRAG believes that the IASB in its research activities should build on the work of other organisations and create synergies. Leveraging on the substantial work of EFRAG and other regional and national accounting standards bodies related to standard level and research projects and also on topics not on the IASB current agenda would allow the IASB to move faster. More generally, EFRAG encourages the IASB to ensure that the research programme is progressed more quickly and is managed in a very dynamic way, allowing

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