

10th November 2014

EFRAG
35 Square de Meeûs
B-1000 Brussels
Belgium

Dear Sir/Madam

EFRAG DISCUSSION PAPER: Classification of claims

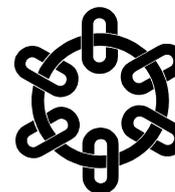
Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its views on EFRAG's Discussion Paper Classification of Claims (hereinafter referred to as the DP)

We welcome EFRAG's initiative to assist IASB in developing a consistent set of accounting rules related to the classification of claims. We believe the DP will be a helpful starting point and guidance for IASB in order to consider the classification of claims in more depth and detail than what has been previously done.

Our comments to the detailed questions are laid 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, or related issues, further.

Yours faithfully,

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



Appendix

Questions

Overall objectives

Question 1

Do you believe EFRAG has appropriately identified the objectives to be used when assessing classification requirements? If not what other objectives do you think should be included or should any of the objectives be removed?

We agree that classification requirements for the credit side of the statement of financial position should be based on the general objectives laid down in the Conceptual Framework.

Classification choices

Question 2

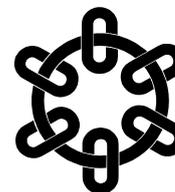
Do you believe EFRAG has appropriately identified the relevant choices that need to be made in determining classification requirements? If not, what other choices do you think need to be made and how do they fit with those that have been identified?

We believe EFRAG has appropriately identified the relevant choices that has to be made in determining classification requirements.

Elements

Question 3

If you support classifying all claims as a single element (the claims approach) how do you think the accounting residual and unclaimed equity should be accounted for? How should financial performance be depicted?



We believe the claims approach could have advantages compared to other alternatives since having two classes would to a greater extent give rise to arbitrary distinctions (between the classes). We have however not decided whether we support such an approach or not. We believe that this approach should be further assessed by IASB in their continued work on classification of claims.

Question 4

Do you think it is possible to positively define equity such that more of the identified objectives are met? If so, how should it be defined?

We believe it is possible to define equity positively, but we have currently not formed a view as to whether that would imply that more of the identified objectives are met. However if both equity and liabilities were to be positively defined it is very likely that we will end up with a residual element which could be difficult to explain.

We are currently not in a position to offer a view on how equity should be defined.

Were to be

Question 5

Do you think it is possible to positively define liabilities such that more of the identified objectives are met? If so, how should it be defined?

We believe it is possible to define liabilities positively, but we have currently not formed a view as to whether that would imply that more of the identified objectives are met. However if both equity and liabilities were to be positively defined it is very likely that we will end up with a residual element which could be difficult to explain.

We are currently not in a position to offer a view on how liabilities should be defined.

Question 6

Do you think the inclusion of an additional element could assist in meeting some of the identified objectives? If so, what should that element be and how should it interact with the existing elements?

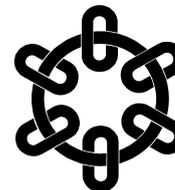
We do not have a strong view with regards to whether the inclusion of a third element for claims that have characteristics of both equity and liabilities could assist in meeting some of the identified objectives. We do believe however that it is useful to consider such an approach in the further process of developing accounting rules regarding classification of the claims on an entity.

Dilution

Question 7

How do you think dilution should be depicted? If more than one class of instruments were to be classified as equity how should the returns to the various classes be depicted?

We do not have any views on this issue.



Glossary

Question 8

Do you agree with the proposed descriptions/definitions contained within the glossary? If not what changes would you suggest? Can you identify any additional descriptions/ definitions you believe would assist in developing a common understanding of the issues?

We agree with the proposed descriptions/definitions contained within the glossary.

Any other issues

Question 9

Do you have any other comments in relation to classification of claims?

We do not currently have any other comments.