



## INVITATION TO COMMENT ON FICE EFRAG SECRETARIAT WORKING PAPER: EARLY-STAGE ANALYSIS

Once filled in, this form should be submitted by 1 April 2019 using the 'Comment publication link' available at the bottom of the respective news item. All open consultations can be found on EFRAG's web site: [Open consultations: express your views.](#)

The EFRAG Secretariat is seeking stakeholder comments on this EFRAG Secretariat Working Paper (Working Paper) that provides an early-stage analysis of some possible effects of the IASB's Discussion Paper DP/2018/1 *Financial Instruments with Characteristics of Equity* (IASB DP). The EFRAG Secretariat seeks your comments to the following questions:

### Your details

1 Please provide the following details:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

FSR – Danish Auditors

- (b) Are you a:

Preparer  User  Other (please specify)

Professional body representing the audit profession in Denmark and hosting the Danish Accounting Standards Committee (DASC).

### Specific questions

2 Do you find this type of early stage analysis to be useful?

Yes, this type of early stage analysis is particularly useful for an accounting standards committee as DASC having a limited size and very limited resources to engage in deep technical analysis. To DASC, it is therefore vital that we can base our work on the research and analysis prepared by EFRAG.

3 Do you have any comments on the findings included within this Working Paper?

No particular. It has been interesting to read the summary of comments from outreaches and compare to the comments we heard at the Danish outreach conducted in cooperation with EFRAG and Danish Confederation of Industries.

4 Do you have any suggestions to enhance the usefulness for future work on this project on *Financial Instruments with Characteristics of Equity*?

No, in our view, the Working Paper provides useful summary of the comments and analysis of what the impact might be on European companies. In this respect DASC note that the use of sophisticated financial instruments among Danish companies is at present very limited when one look at corporates outside of the financial industry.

*Financial Instruments with Characteristics of Equity  
Invitation to Comment on Early-Stage Analysis*

- 5 Do you have any suggestions to enhance the usefulness for other standard setting related early-stage exercises?

Not at present.

**Other remarks**

DASC emphasises that our comments to this Early-Stage Analysis does not suggest that we agree with the direction of travel in the FICE DP.

DASC has a concern that the IASB is in the process of overcomplicating an area that - at least in our jurisdiction - actually works well in practice, acknowledging it is a very complex topic.

As EFRAG will have gathered from the outreach in Copenhagen, we do not see many companies in Denmark (outside of financial industry) that use sophisticated instruments. We are well aware that is different in other countries.