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Re: EFRAG's 2015 proactive agenda consultation

Dear Sir/Madam,

We are pleased to have the opportunity to provide our comments on your proactive work, aimed to ensure that the proactive activities are tailored on needs important for European constituents and able to influence the standard-setting process with solutions to relevant financial reporting issues.

Our detailed comments and responses are set out below.

Effectiveness of proactive work

Questions

What is your opinion on the effectiveness of the proactive work EFRAG is undertaking?

What type of EFRAG projects and output have been more useful:

- (a) Discussion Papers**
- (b) Short Discussion Series Papers**
- (c) Bulletins**

Do you support the current mix of output? Please mention an EFRAG paper that you consider in particular useful. And also one that you consider was not so useful. Please indicate your reasoning.

How do you make the decision to comment or not to comment on an EFRAG proactive project?

The proactive work has been developed with the aim to stimulate the debate on issues of interest for European constituents and to contribute to the process of standard-setting, in partnership with NSSs. In these years, also the OIC has contributed to this proactive activity, in particular with the projects on *BCUCC*, *Separate Financial Statements* and *Goodwill and Amortization*, in joint with EFRAG and other NSSs.

Considering, as overall, the proactive projects undertaken, they have certainly reached the objective to favour the dialogue and useful exchanges of views in the accounting community, in the international arena and not only at European level. However, we observe that the proactive work has influenced the IASB standard-setting in a less significant manner.

Regarding the output, determining which output is more useful is an assessment that should take into account different aspects, such as the topic to deal with, the time available to work on the project in order to complete the work in time to be useful for the IASB and the resources available (partnership with NSS or only EFRAG staff).

Short discussion papers or bulletins have the merit to be brief, read quickly and can be developed in a short time. This is helpful in meeting the timing of the IASB. However we note that not always the documents published are aligned with the label "short". Moreover we note that historically the number of respondents on such initiative has been very low. On the other side, discussion papers offering a more comprehensive analysis of the issues, could stimulate more discussion, as we experienced in initiatives such as DP on goodwill and BCUCC. Additionally we note that those papers have more chances to be successful in stimulate the debate among stakeholders when are developed in partnership with National Standard Setters.

In relation to your last question, usually the decision to comment a proactive paper is mainly due to the level of relevance that the argument has for our constituents.

Coordination with the IASB

Question

How do you see the possible coordination of proactive work between EFRAG and the IASB? Do you think it is important that EFRAG remains an independent contributor?

As recognized by EFRAG, working jointly with the IASB would have the merit of early coordination and involvement. EFRAG and IASB should discuss the best way to work together.

Moreover, in replying to the IASB agenda consultation 2015, we suggested that improving the synergies between the IASB and the NSSs and other accounting bodies, such as EFRAG, would permit to move faster from a research project to a standard-setting project and that working together would allow to solve the issues in a more efficient and rapid manner.

New EFRAG proactive projects

Questions

Do you agree that these projects are relevant for Europe and should be undertaken? How would you see their priority?

In the table in the Appendix to this consultation, the proactive work that EFRAG has carried out or is carrying out at present is listed. There are also topics on which EFRAG has not carried out work. Do you think that EFRAG should undertake work on any of these projects?

Do you see other projects than those listed in the IASB Agenda Consultation or above that EFRAG should undertake?

We think that the project on transactions with Government is a priority, because it could contribute to the development of a standard for non-exchange transactions.

Regarding the projects in the Appendix for which EFRAG has not undertaken any work, we think that nothing should be done, because two of them (Definition of a business and Dynamic Risk Management) are projects on which the IASB is now working. And some other projects are inactive and their removal from the agenda has been proposed and finally, at least in our country, the project on Share-based payments has not created significant implementation issues.

If you have any queries concerning our comments, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò

(OIC Chairman)