

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, January 5, 2012

Dear Sir/Madam

Exposure Draft, ED/2011/4 Investment Entities

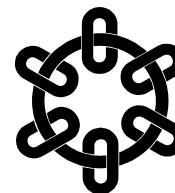
Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the exposure draft Investment Entities.

We do not agree with the general principle introduced in the ED that some controlled investments should be presented at fair value in consolidated financial statements.

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



Question 1 - Exclusion of investment entities from consolidation

Do you agree that there is a class of entities, commonly thought of as an investment entity in nature, that should not consolidate controlled entities and instead measure them at fair value through profit or loss? Why or why not?

We do not agree that there is a class of entities as described in Q. 1 that should not consolidate controlled entities and instead measure them at fair value through profit or loss.

We struggle to see the convincing arguments for such entities having a general exemption from IFRS 10. Consequently, we have come to the conclusion that we do not believe that there is a class of entities commonly thought of as investment entities that should not consolidate controlled entities. We are of the opinion that the business model often carried out by what is commonly thought of as investment entities is a general business model that is also carried out within entities commonly not thought of as “pure” investment entities.

The underlying basis for our view is that we have not found a convincing argument that non-consolidation will provide more relevant and faithfully representative information. Furthermore we do not see how, in a principle based manner that satisfies the qualitative characteristic of comparability, to separate investment entities from entities that are to consolidate controlled entities.

We disagree with the notion of introducing entity-specific accounting principles and therefore ask the Board not to proceed with the proposal in the exposure draft.

Question 2 - Criteria for determining when an entity is an investment entity

Do you agree that the criteria in this exposure draft are appropriate to identify entities that should be required to measure their investments in controlled entities at fair value through profit or loss? If not, what alternative criteria would you propose, and why are those criteria more appropriate?

We do not agree that the criteria proposed in this exposure draft are appropriate to identify entities that should be required to measure their investments in controlled entities at fair value through profit or loss. We are seriously concerned that exposure draft is proposing entity specific rule based accounting solutions. We do not see that the concept of control in IFRS 10 is proved to be flawed. Further we consider that the case made in the exposure draft is not sufficiently persuasive to warrant a highly arbitrary and rule based exception. When deciding upon how to account for a (net) asset of an entity the Board ought to focus on characteristics of the asset or the management of the asset and not on characteristics of the financing structure of the entity holding the asset.

If the Board is to proceed with the exposure draft, we would ask the Board to clarify why they believe characteristics related to an entity as opposed to characteristics of an activity should be a determining factor in deciding whether consolidation should be performed or not.

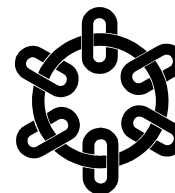
Question 3 - Nature of the investment activity

Should an entity still be eligible to qualify as an investment entity if it provides (or holds an investment in an entity that provides) services that relate to:

(a) its own investment activities?

(b) the investment activities of entities other than the reporting entity?

Why or why not?



We believe that the two issues identified by the Board will only be the first of a very long series of questions that will have to be sorted out if the Board is to continue with the proposed rule-based consolidation exception. Nevertheless we have the following two comments:

(a) If the Board were to base its regulation on a business model approach we see strong support for own investment activities carried out in a subsidiary to be included by it.

(b) If the Board were to base its regulation on a business model approach the crucial question would be whether or not the services provided to investment activities of entities other than the reporting entity are or are not managed on a fair value basis.

Question 4 - Pooling of funds

(a) Should an entity with a single investor unrelated to the fund manager be eligible to qualify as an investment entity? Why or why not?

(b) If yes, please describe any structures/examples that in your view should meet this criterion and how you would propose to address the concerns raised by the Board in paragraph BC16.

Introducing the consolidation exception for investment entities will add to the rule based complexity of IFRS. However to the extent that the Board is to proceed with the current exposure draft we are of the strong opinion that the explicit requirement for multiple investors should be abandoned. For example, there are large sovereign wealth funds with business model characteristics and objectives such that they ought not to be separated from the rules proposed by the Board for investment entities.

Question 5 - Measurement guidance

Do you agree that investment entities that hold investment properties should be required to apply the fair value model in IAS 40, and do you agree that the measurement guidance otherwise proposed in the exposure draft need apply only to financial assets, as defined in IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement? Why or why not?

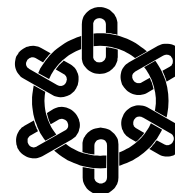
If the Board sticks to its proposition to regulate investment entities as a separate class with consolidation exclusions, we agree that they should not be allowed to use the cost model in IAS 40. We agree that investment entities should measure all its financial instruments within the scope of IFRS 9 including all its financial liabilities at fair value through profit or loss.

Question 6 - Accounting in the consolidated financial statements of a non-investment entity parent

Do you agree that the parent of an investment entity that is not itself an investment entity should be required to consolidate all of its controlled entities including those it holds through subsidiaries that are investment entities? If not, why not and how would you propose to address the Board's concerns?

Even though we do not support the proposed consolidation exception for investment entities we are not convinced by the arguments put forward by the Board for consolidation of an investment entity in the financial statement of its parent. This would that the benefits of non-consolidation on a lower level (if there indeed are any) would be wiped out on a higher level. Whether a subsidiary should be consolidated or not should not depend on which holding entity level we are considering.

We also refer to our answer to Q. 3.



Question 7 - Disclosure

(a) Do you agree that it is appropriate to use this disclosure objective for investment entities rather than including additional specific disclosure requirements?

(b) Do you agree with the proposed application guidance on information that could satisfy the disclosure objective? If not, why not and what would you propose instead?

We observe that the disclosure requirement set forth in paragraph 10(d), while being partly overlapping with the existing requirements of IFRS 12.10 and 13, is of relevance for all entities controlling another entity and thus should be a clarification of the general disclosure requirement in IFRS 12 as opposed to a separate disclosure requirement of an investment entity.

Question 8 - Transition

Do you agree with applying the proposals prospectively and the related proposed transition requirements? If not, why not? What transition requirements would you propose instead and why?

We have no objections to the proposed transition requirements.

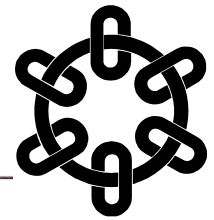
Question 9 - Scope exclusion in IAS 28

(a) Do you agree that IAS 28 should be amended so that the mandatory measurement exemption would apply only to investment entities as defined in the exposure draft? If not, why not?

(b) As an alternative, would you agree with an amendment to IAS 28 that would make the measurement exemption mandatory for investment entities as defined in the exposure draft and voluntary for other venture capital organisations, mutual funds, unit trusts and similar entities, including investment-linked insurance funds? Why or why not?

We observe that a number of entities that currently are using the measurement exemptions in IAS 28 (and IAS 31) will not be covered by the proposed definition of an investment entity. We have not received any indications that the current application of the measurement exemptions in IAS 28 (and IAS 31) is in need of change. We therefore do not support the proposed amendment of IAS 28 that would replace any reference to “venture capital organisations, mutual funds, unit trusts and similar entities” with “investment entity”.

We would agree with an amendment to IAS 28 that would make the measurement exemption mandatory for investment entities as defined in the exposure draft and voluntary for other venture capital organisations, mutual funds, unit trusts and similar entities, including investment-linked insurance funds.



International Accounting Standards Board
30 Cannon Street
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Cc: EFRAG

Oslo, January 5, 2012

Dear Sir/Madam

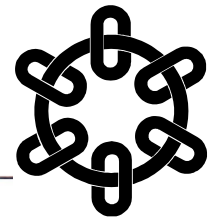
Exposure Draft, ED/2011/5 Government Loans – Proposed amendments to IFRS 1

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the exposure draft Investment Entities.

We agree with the proposed amendments to IFRS 1.

Yours faithfully,

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



EFRAG
35 Square de Meeûs
B-1000 Brussels
Belgium

Oslo, January 8th, 2013

Dear Sir/Madam

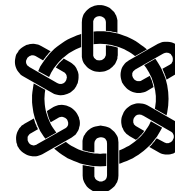
Towards a Disclosure Framework for the Notes – Discussion Paper

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) is pleased to comment on the Discussion Paper *Towards a Discussion Framework for the Notes*.

We support the EFRAGs initiative to suggest a comprehensive re-think of the role of the notes to the financial statements. Furthermore, we agree with the key principles of a Disclosure Framework presented in the discussion paper (Question 1.1). We also support the statement that the general objective of a Disclosure Framework is to ensure that all and only relevant information is disclosed in an appropriate manner.

More disclosure requirements are continuously being added to the standards leading to increasingly more information being presented in the financial statements. In principle we believe more information in the notes is expedient provided that the additional information improves the user's understanding of the financial performance, financial position and cash flows of a reporting entity. In practice however, we observe that an increased amount of the information presented in the notes is not material and/ or not relevant for understanding the reporting entity. Hence, the quality of information in the notes may decrease because significant information is obscured by the extensive amount of less relevant information presented in the notes.

We believe the 'disclosure problem' addressed in the discussion paper is more caused by improper application of materiality to disclosures than excessive disclosure requirements. In order to avoid discussions with auditors, regulators and users the preparers appear to opt for full compliance with all disclosure requirements regardless of materiality or understandability. Consequently, the extensive volume of the notes may reduce the quality of information for users of financial statements by obscuring relevant information. Although IFRS currently states that an entity does not need to disclose information that is not material we support the suggestion that a Disclosure Framework should reinforce the application of materiality (Question 4.1). Furthermore, we believe it would be helpful to include guidance for applying materiality in the Disclosure Framework (Question 4.2).



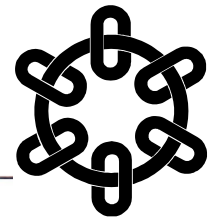
It is mentioned that notes have become far too complex to be easily understood. We acknowledge that the information provided in many notes is complex e.g. financial instruments, share-based payments, pensions and impairment. However, certain transactions, agreements and estimates are complex by nature and we believe it is inevitable that the notes by amplifying and explaining such items also contain complex information. We are concerned that reduced complexity of information provided in the notes could cause less faithful representation and reduced useful information to users of financial statements.

We believe the effectiveness of disclosure in the notes could be significantly improved through better communication and appropriate organising. We support the communication principles presented in chapter 5 of the discussion paper.

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,
Norsk RegnskapsStiftelse

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



International Accounting Standards Board

30 Cannon Street

London EC4M 6XH

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Cc: EFRAG

Oslo, March 13, 2012

Dear Sir/Madam

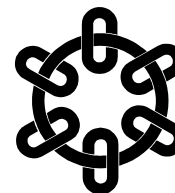
Exposure Draft, ED/2011/6 Revenue from Contracts with Customers

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the exposure draft Revenue from Contracts with Customers.

We welcome the revised proposal on revenue recognition. This is the second exposure draft on this topic and we acknowledge that several significant changes from the previous exposure draft have been introduced. The new criteria to determine when revenue should be recognised over time would in our view capture a far broader range of goods and services than earlier versions.

The detailed questions that the Board has asked for responses to do not include some of the significant changes from previous versions or some of the practical expedients proposed. In our view it follows from due process to give respondents an explicit possibility to respond to such changes, especially since revenue recognition is such an important topic. We have included our comments to such proposals under "other issues" after the detailed questions put forward by the IASB.

We notice that the current proposal is to a greater extent based upon the principle of "truing up" revenue due to changes occurring in measurement of the consideration received than previous proposals. Paragraph 54 in the exposure draft is visualising this concept "*An entity shall update the estimated transaction price at each reporting date to represent faithfully the circumstances present at the reporting date and the changes in circumstances during the reporting period.*" In our view it would in most circumstances not be meaningful and give arbitrary outcomes to present such changes as revenue, hence we believe the Board as a minimum should clarify why this is a preferred solution. As it now stands we are not able to see why the current approach in IAS 18 would not give more decision useful information. At the inception date of the contract the entity should measure the estimated fair value of the consideration to be received. This estimate would then in our view represent the best measure of the entity's revenue and changes in variable amounts after the



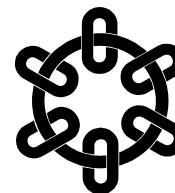
contract inception date should in most circumstances be presented as gain or loss and not as revenue.

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

**Question 1:**

Paragraphs 35 and 36 specify when an entity transfers control of a good or service over time and, hence, when an entity satisfies a performance obligation and recognises revenue over time. Do you agree with that proposal? If not, what alternative do you recommend for determining when a good or service is transferred over time and why?

We agree with the proposal in paragraph 35 and 36 and believe that this would lead to more decision useful information than under the previous exposure draft. Although we favour the solution chosen currently we would ask the Board to consider whether further clarification of paragraph 35 b) (ii) and (iii) is warranted.

Question 2:

Paragraphs 68 and 69 state that an entity would apply IFRS 9 (or IAS 39, if the entity has not yet adopted IFRS 9) or ASC Topic 310 to account for amounts of promised consideration that the entity assesses to be uncollectible because of a customer's credit risk. The corresponding amounts in profit or loss would be presented as a separate line item adjacent to the revenue line item. Do you agree with those proposals? If not, what alternative do you recommend to account for the effects of a customer's credit risk and why?

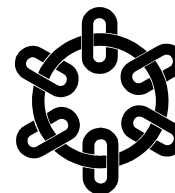
We are not in favour of a presentation which would require an entity to present a separate line item adjacent to the revenue line representing uncollectible amounts due to a customer's credit risk since we do not believe such a presentation would give rise to increased decision useful information for primary investors. We have not seen any convincing arguments brought forward in the exposure draft which advocates such a solution

We also do not agree that this standard should regulate the presentation of uncollectible amounts. We believe a principle based approach would imply that all presentation issues are dealt with in one standard and currently that is IAS 1.

Question 3:

Paragraph 81 states that if the amount of consideration to which an entity will be entitled is variable, the cumulative amount of revenue the entity recognises to date should not exceed the amount to which the entity is reasonably assured to be entitled. An entity is reasonably assured to be entitled to the amount allocated to satisfied performance obligations only if the entity has experience with similar performance obligations and that experience is predictive of the amount of consideration to which the entity will be entitled. Paragraph 82 lists indicators of when an entity's experience may not be predictive of the amount of consideration to which the entity will be entitled in exchange for satisfying those performance obligations. Do you agree with the proposed constraint on the amount of revenue that an entity would recognise for satisfied performance obligations? If not, what alternative constraint do you recommend and why?

We have some concerns with the approach chosen in paragraph 81 and paragraph 82 although we can see the merit for introducing such a threshold. We believe the underlying concept should be to measure the consideration to be received at fair value. We believe this also should apply in circumstances where the amount of consideration will be impacted by factors outside the entity's influence.

**Question 4:**

For a performance obligation that an entity satisfies over time and expects at contract inception to satisfy over a period of time greater than one year, paragraph 86 states that the entity should recognise a liability and a corresponding expense if the performance obligation is onerous. Do you agree with the proposed scope of the onerous test? If not, what alternative scope do you recommend and why?

We believe that IAS 37 should regulate whether a contract is considered to be onerous or not, hence we do not support to have specific requirements related to such assessments in the revenue recognition standard itself. In addition to this we disagree with the approach chosen in the exposure draft since we believe that the assessment of whether performance obligations are onerous or not should be performed at contract level and not for each performance obligation separately. We do not believe that day 1 losses in situations where the entity is making profit on the contract to which the onerous performance obligation belongs give decision useful information.

We also have some problems to see the conceptual basis for introducing a one year threshold in order to perform an onerous test. Why should a contract lasting 359 days not be tested while a contract of 370 days should ?

We therefore recommend that the Board revokes this approach and uses the principles laid down in IAS 37 to deal with onerous contracts.

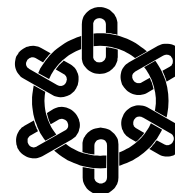
Question 5:

The boards propose to amend IAS 34 and ASC Topic 270 to specify the disclosures about revenue and contracts with customers that an entity should include in its interim financial reports. The disclosures that would be required (if material) are:

- *The disaggregation of revenue (paragraphs 114 and 115)*
- *A tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period (paragraph 117)*
- *An analysis of the entity's remaining performance obligations (paragraphs 119–121) Information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period (paragraphs 122 and 123)*
- *A tabular reconciliation of the movements of the assets recognised from the costs to obtain or fulfil a contract with a customer (paragraph 128).*

Do you agree that an entity should be required to provide each of those disclosures in its interim financial reports? In your response, please comment on whether those proposed disclosures achieve an appropriate balance between the benefits to users of having that information and the costs to entities to prepare and audit that information. If you think that the proposed disclosures do not appropriately balance those benefits and costs, please identify the disclosures that an entity should be required to include in its interim financial reports.

We do not believe that adding the specific requirements listed in the ED to IAS 34 would represent a principle based approach to determine the necessary disclosures in interim financial statements. If



the Board are concerned that the disclosure requirements in IAS 34 need to be improved we would prefer a separate project to address this.

The current version of IAS 34 includes a paragraph which we believe should be given greater weight in addressing disclosure requirements for interim financials; paragraph 15. This paragraph would in our view cover events and transactions, including revenue recognition issues of importance, which are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. By constantly introducing specific disclosure requirements related to new standards which are issued we believe IASB run the risk of making interim reporting a more burdensome process than necessary, and also less decision useful for primary users due to the amount of information that would be required.

Also, we ask the Board to clarify the requirements in paragraph 119 of the exposure draft. We are not able to see the conceptual merit for introducing a one year threshold for such disclosures. Either the Board believes such disclosures are important for significant contracts or such disclosures should not be mandatory.

Question 6:

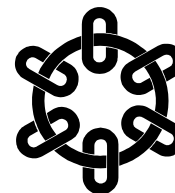
For the transfer of a non-financial asset that is not an output of an entity's ordinary activities (for example, property, plant and equipment within the scope of IAS 16 or IAS 40, or ASC Topic 360), the boards propose amending other standards to require that an entity apply (a) the proposed requirements on control to determine when to derecognise the asset, and (b) the proposed measurement requirements to determine the amount of gain or loss to recognise upon derecognition of the asset. Do you agree that an entity should apply the proposed control and measurement requirements to account for the transfer of non-financial assets that are not an output of an entity's ordinary activities? If not, what alternative do you recommend and why?

We agree that that the proposals in the exposure draft should be applied to the transfer of non-financial assets that are not an output of an entity's ordinary activities.

Other issues

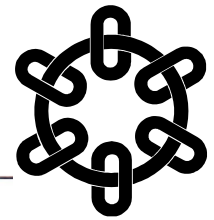
In addition to the specific questions answered above we would like to comment on the following issues;

7. With regards to the time value of money the current exposure draft includes a practical expedient which would allow entities not to discount the promised amount of consideration if the period of payment does not extend beyond a year. In our view it would be better not to include a quantitative threshold but instead clarify that discounting is not necessary if the effect would be insignificant.
8. The exposure draft includes specific guidance with regards to capitalisation and amortisation of certain contract costs given that certain criteria are met. This represents a significant change from the previous exposure draft which proposed that all contract costs should be expensed as incurred (unless it was in the scope of another IFRS). Although we do not have any strong views



as to whether such costs should be eligible for capitalisation or not we do not believe that requirements and criteria with regards to capitalisation of contract costs should be included in this standard. Whether such costs would qualify as an asset or not should be dealt with in IAS 38.

9. We would also like to draw the Board's attention to the extensive use of the word "reasonably" throughout the exposure draft. We are not convinced that it is clear to constituents or others reading the standard what the content of "reasonably" is at all times. The exposure draft currently includes reasonably estimate, reasonably assured, reasonably expects, reasonably measure, reasonably available and reasonably possible.
10. We question whether paragraph 9 e) and paragraph 10 are both necessary, hence we would ask the Board to consider whether these paragraphs should be amended in order to avoid repetition.



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
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Cc: EFRAG

Oslo, March 21st, 2012

Dear Sir/Madam

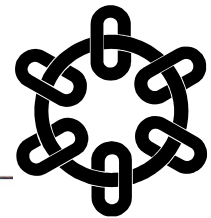
ED/2011/7: Transition Guidance – Proposed amendments to IFRS 10

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) is pleased to comment on the Exposure Draft on *ED/2011/7: Transition Guidance – Proposed amendments to IFRS 10*.

We support the proposals.

Yours faithfully,
Norsk RegnskapsStiftelse

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



ESMA
103 rue de Grenelle
75007 Paris
France

Cc: EFRAG

Oslo, March 24th, 2012

Dear Sir/Madam

ESMA Consultation Paper: Considerations of materiality in financial reporting

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board - NASB) welcomes the opportunity to respond to your consultation paper "Considerations of materiality in financial reporting".

We provide our replies to your specific questions below. However, the major part of our discussions in the NASB relate to your question no. 2, which is about the role of ESMA with respect to issuing guidance on materiality. The Board members of the NASB are in two camps with approximately equal support. One camp holds the view that it is the responsibility of the IASB to formulate the principles of materiality and provide guidance and examples to make sure that practice becomes sufficiently uniform. Another camp considers that ESMA has a legitimate need to make clear what the understanding of materiality is, given the current wording of the standards and the Framework. The latter camp emphasizes that the IASB as sole standard setter always has the opportunity to change the wording of the standards and the Framework if the understanding by constituents is unsatisfactory.

There is consensus in our Board, however, that there should not be a specific European understanding of materiality in financial reporting. Whatever role ESMA considers for itself in this respect, it should seek to obtain a common understanding with non-European bodies with similar responsibilities. Failure to obtain a more global understanding may strengthen an unwanted tendency to distinct regional versions of IFRS.

Our replies to your specific questions are as follows:

Q1: Do you think that the concept of materiality is clearly and consistently understood and applied in practice by preparers, auditors, users and accounting enforcers or do you feel more clarification is required?

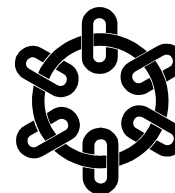
We agree that the understanding of the concept is not uniform and that practice is not consistent.

Q2: Do you think ESMA should issue guidance in this regard?

See above.

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Q3: In your opinion, are ‘economic decisions made by users’ the same as users making ‘decisions about providing resources to the entity’? Please explain your rationale and if possible provide examples.

Yes, we read “economic decisions” as a condensed version of “decisions about providing resources”.

Q4: Is it your understanding that the primary user constituency of general purpose financial reports as defined by the IASB in paragraph 13 includes those users as outlined in paragraph 16 above? Please explain your rationale and if possible provide further examples.

According to the Framework the “primary users” are “existing and potential investors, lenders and other creditors”. The excerpts from the Framework in paragraph 16 of the consultation paper describe some possible decisions of these users.

We note that 16 a) – d) are quoted from the Framework. It is not clear where letter e) comes from, and we question its legitimacy.

Q5a: Do you agree that the IASB’s use of the word ‘could’ as opposed to, for example, ‘would’ implies a lower materiality threshold? Please explain your rationale in this regard.

No, we believe that the choice of verb is simply semantic. “Could” signifies a potential, as opposed to something deterministic.

Q5b: In your opinion, could the inclusion of the expression ‘reasonably be expected to’ as per the Auditing Standards, lead to a different assessment of materiality for auditing purposes than that used for financial reporting purposes. Have you seen any instances of this in practice?

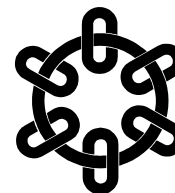
There is no reason to believe that the different wordings indicate different materiality thresholds.

Q6a: Do you agree that the quantitative analysis of the materiality of an item should not be determined solely by a simple quantitative comparison to primary statement totals such as profit for the period or statement of financial position totals and that the individual line item in the primary statement to which the item is included should be assessed when determining the materiality of the item in question? Please explain your rationale in this regard.

We agree.

Q6b: Do you agree that each of the examples provided in paragraph 21 a – e above constitute instances where the materiality threshold may be lower? Are there other instances which might be cited as examples? Please explain your rationale.

The question presumably refers to paragraph 22 at page 10. We agree that the materiality threshold may be lower in the situations described in paragraph 22 a – e than in other situations. There may be other situations as well, e.g. relating to take-over bids and share issues, where a particular attention is required from those preparing financial statements. Voluminous research indicates that financial statements are more frequently managed or manipulated in such circumstances. We also think that existence of large measurement uncertainty should be added to the list in paragraph 22.



Q7: Do you agree that preparers of financial reports should assess the impact of all misstatements and omissions, including those that arose in earlier periods and are of continued applicability in the current period, in determining materiality decisions. Please explain your views in this regard.

See our reply under Q8.

Q8: Do you agree that preparers of financial reports should assess the impact of all misstatements and omissions as referred to in paragraphs 23 to 26 above in determining materiality? Please explain your views in this regard and provide practical examples, if applicable.

We do not see clearly the nuances between Q 7 and Q8. However, we agree that the list of errors, misstatements and omissions given in paragraphs 24 to 27 at page 11 (that Q8 presumably is meant to refer to) is relevant.

Q9a: Do you believe that an accounting policy disclosing the materiality judgments exercised by preparers should be provided in the financial statements?
Q9b: If so, please provide an outline of the nature of such disclosures.
Q9c: In either case, please explain your rationale in this regard.

The NASB Board members are divided in the view on mandatory disclosure of materiality judgments. Some members argue that such disclosures would be very useful for users. Other members argue that it would be difficult to provide a meaningful compact description of such judgments, so it could easily become something superficial or very detailed and voluminous.

There is unanimity in the Board, however, that it is not within the authority of ESMA or national supervisors to require such disclosures.

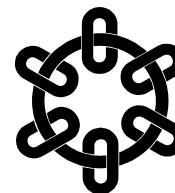
Q10: Do you agree that omitting required notes giving additional information about a material line item in the financial statements constitutes a misstatement? Please explain your rationale in this regard.

No, we believe that the materiality consideration should be based on the importance of the omitted notes. There may be situations where omitting additional information about a material line item in the financial statements does not constitute a material misstatement. (We assume the word misstatement in the question and in paragraph 26 at page 12 refers to material misstatement.)

Q11: Do you believe that in determining the materiality applying to notes which do not relate directly to financial statement items but are nonetheless of significance for the overall assessment of the financial statements of a reporting entity:
(a) the same considerations apply as in determining the materiality applying to items which relate directly to financial statement items; or
(b) different considerations apply; and
(c) if different considerations apply, please outline those different considerations.

We believe that materiality thresholds for required disclosures not relating to the primary statements are not necessarily equal with those that relate to them.

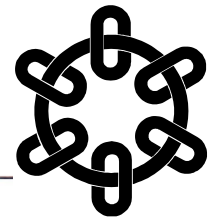
Q12: In your opinion, how would the materiality assessment as it applies to interim financial reports differ from the materiality assessment as it applies to annual financial reports?



The question of applicability of guidance on materiality to interim reports should be considered once the guidance to annual financial reports has been established.

Yours faithfully,
Norsk RegnskapsStiftelse

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



EFRAG

35 Square de Meeûs

B-1000 Brussels

Belgium

Oslo, May 2, 2012

Dear Sir/Madam

Discussion paper – Accounting for Business Combinations Under Common Control

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the discussion paper Accounting for Business Combinations Under Common Control (BCUCC).

Considering the diverse practice and lack of guidance in accounting for BCUCC we support EFRAGs initiative to address accounting for BCUCC. However, we believe that the more fundamental questions regarding the definition of common control, how to determine the acquirer (if relevant) and a more principle based scoping of the project should have been addressed before discussing the actual accounting principles set out in chapter 5. We have therefore not given any comments to question 5.1 to 5.8.

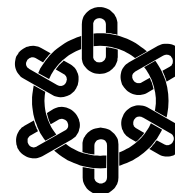
We do not think the DP has put enough emphasis in creating a definition of a common control transaction. In our opinion Chapter 2 does not provide a clear definition of common control and which business combinations that are meant to be covered by the DP. A more principle based approach, rather than a description in a simple diagram, would in our opinion be preferable.

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



Questions

1.1 Do you think that the concerns have been accurately described in relation to the issues arising from accounting for BCUCC transactions? If not, please could you suggest other significant concerns that have not been addressed?

We think that most of the concerns have been accurately described although there is a great diversity of concerns in practice.

1.2 In your experience, what approaches are typically applied by preparers in practice for BCUCC transactions and what justification is provided to support their application of these approaches?

In our experience the approaches typically applied by preparers are those described in the DP although with some slight variations:

- Predecessor basis of accounting but based on accounting consolidated figures of last parent within the jurisdiction, not last parent of the Group.
- Predecessor basis of accounting but based on separate figures of the acquired entity, not previously consolidated figures.
- The difference between the consideration paid and the predecessor accounting value of the net assets acquired can be accounted for in different ways. In Norway the difference is recognized in equity.

Justification provided by the predecessor accounting approach is based on the specific exclusion of BCUCC from the IFRS 3 and application of IAS 8 p12 and the US approach of “pooling of interests”

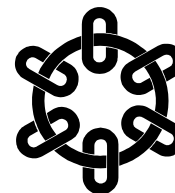
2.1 Are there any issues not included in the scope of the DP that, in your view, need to be addressed in developing an approach to accounting for BCUCC in the consolidated financial statements of the transferee?

We support the decision to exclude from the DP the accounting for BCUCC in the separate and individual statement of the transferee and subsequent measurement. However, we believe that some issues related to subsequent measurement from a BCUCC should be addressed, for example how to account for contingent consideration in subsequent periods.

In our opinion Chapter 2 does not provide a clear definition of common control and which business combinations that are meant to be covered by the DP. A more principle based approach, rather than a description in a simple diagram, would in our opinion be preferable. As an example we believe that the creation of a Newco by the parent of a Group by combining two existing entities (controlled by that ultimate parent) is outside the scope as defined in the diagram in chapter 2. In this case the acquirer is not a pre-existing entity and that fact could lead to a very different accounting treatment if applying IFRS 3 requirements. The diagram does also exclude structures with non-controlling interests, however in chapter 4 non-controlling interests are a significant part of the discussion of the information needs of users. The boundaries of the scope for this project are therefore unclear.

2.2 Do you believe that there are any specific issues to be addressed in the initial recognition and measurement of BCUCC in the separate and individual financial statements? If so, please explain what those issues are and how they should be addressed.

In our opinion most of the issues related to the consolidated financial statements are similar for the individual and separate financial statements. However, accounting for shares in subsidiaries that are part of the business transferred is challenging when predecessor basis of accounting is applied.



2.3 Are there any specific issues you think need to be addressed when considering what information about a BCUCC should be disclosed in the notes to the financial statements of the transferee?

We believe that irrespective of the approach adopted the reasons for the business combination should be explained. This explanation would help to understand the substance of the operation and better support the approach adopted.

We also believe that information about the common control parties of the acquirer and the acquiree is essential to better understand the transaction and the basis of accounting.

Specific disclosure requirements depend on the choice of the model of accounting, and we believe that any further discussion on this topic should be deferred.

3.1 Do you agree that an important step is to understand the information needs of users in the financial reporting of a BCUCC transaction? If not, how else would you set out an approach that satisfies the objective of financial reporting?

Yes, we agree. Financial statements are primarily prepared to provide information to users that could help them to make decisions, as stated in the IFRS framework and across the standards.

3.2 It is noted above that the analysis in this DP is taken from the perspective of the transferee (entity perspective) as opposed to the perspective of the owners (proprietary perspective). Do you agree that, to be consistent with existing IFRS, the entity perspective should be dominant when considering BCUCC? If not, why not?

Yes, we agree that the entity perspective of the transferee should be dominant when considering BCUCC. We believe that from the perspective of the owners this DP would not make sense because no real transactions have occurred (no change of ownership at all).

We also agree that under IFRS the reporting entity is the entity regulated by the standards. Consequently the entity perspective should prevail when considering BCUCC.

3.3 Do you agree with applying the 'logic' of the IAS 8 hierarchy in developing an approach to accounting for BCUCC transactions? If not, what alternative would you propose and how would you reconcile that approach with existing IFRS?

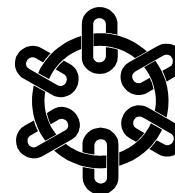
We think that the approach to develop accounting principles for BCUCC depend on whether the ultimate goal is to issue a new IFRS or a new interpretation. If a new IFRS is the main goal, we believe that this IFRS should be purely based on the requirements in the IASB framework. We believe that a new IFRS should start with the fundamentals, such as the definition of common control, how to assess the acquirer, a principle based approach to the scope etc. However, if the intention is to develop a new interpretation we support the approach of using the "logic" in IAS 8.

3.4 Do you agree that if and when an analogy to IFRS 3 is considered to apply, it is appropriate to assume that fair value at initial recognition provides information that is more decision-useful than values based on previously recognised amounts or any other measurement attribute? If not, please explain why?

Yes, we agree.

3.5 Do you agree that if the analogy to IFRS 3 does not apply, defining an appropriate measurement attribute should be guided by an analysis of the information needs of users? If not, why not?

Yes, we agree. We support an approach that addresses the information required for external users of the financial statements as the main purpose of the financial statements, as stated in the conceptual framework of IFRS.



4.1 Do you agree with the main features of a BCUCC identified above? If not, what other features would you highlight?

We generally agree with the main features described in chapter 4. However, we think that some BCUCC in substance cannot clearly be differentiated from a BC under IFRS 3.

Involvement of cash from third parties in the transaction could be a basis for considering that the contribution is made at a market value (excluding any control premium). This may be the case if an independent third party agrees to pay in cash part of the contribution (NCI represented by the acquisition of shares of the combined entity in the stock exchange market) or is considering that the collectability risk of its loan is guaranteed by the fair value and expected cash flows of the net assets of the combined entity.

4.2 It is noted above that BCUCC can be substantially different in nature from business combinations between unrelated parties. Do you agree that a BCUCC can be different to a business combination under IFRS 3? If so, describe examples you have encountered in practice that verifies this. If not, please explain why?

Yes, we agree that a BCUCC can be substantially different from a BC under IFRS 3. As examples we could mention:

- Combining entities within a pre-existing group to maximize tax savings.
- Combination of specific activities to get grants or finance resources from third parties or governmental bodies.
- Reorganization within a group to separate different activities or regional businesses.
- Combinations within a group oriented to separate risks.

4.3 Do you agree with the analysis that has been performed in relation to the information needs of users? If not, why not?

We generally agree with the analysis performed.

4.4 Do you think that with BCUCC it may be difficult in some circumstances to identify an acquirer (View A) or do you believe that an acquirer can always be identified (View B)?

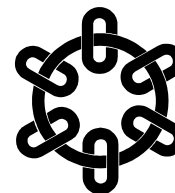
We fully agree that in a BCUCC it may be difficult in some circumstances to identify an acquirer. The ultimate parent will always have the opportunity to structure the BCUCC to achieve the desired outcome. We therefore believe that in a BCUCC some other approaches different from control should be considered to determine the acquirer.

4.5 If you believe that an acquirer can always be identified in a BCUCC, do you think that an analogy to IFRS 3 is not valid because the ultimate parent entity can direct the identification of an acquirer so that the accounting outcome is not a faithful representation of the underlying BCUCC transaction?

We do not agree that an acquirer can always be identified based on the criteria in IFRS 3.

4.6 Do you agree with the analysis above that under IFRS 10 'control' should be assessed from the perspective of the reporting entity and not from that of the ultimate parent entity? If not, why not?

We think that the control concept in IFRS 10 is not helpful to identify the acquirer in a BCUCC



4.7 Do you agree that the definition of a 'business' in IFRS 3 raises no particular issues for BCUCC? If not, why not?

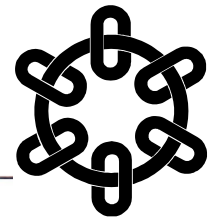
Yes, we agree.

4.8 Do you think the absence of a market-based transaction can have consequences when applying the recognition principle in IFRS 3 because of a lack of measurement reliability? If so, do you agree with the analysis? If not, why not?

Yes, we think that a main concern of BCUCC is the absence of a market-based transaction. The application of recognition and measurement principles in IFRS 3 for identifiable assets and liabilities that do not depend on the internal performance of the Group would not be different for a BCUCC and for a BC under IFRS 3. However, we believe that some assets that do depend on the performance of the Group may be difficult to measure reliably, for example goodwill and internally generated intangible assets.

4.9 Do you think it is appropriate to apply the measurement principle in IFRS 3 to BCUCC when the analogy to IFRS 3 is valid? If not, why not?

As mentioned above, we agree that the measurement principles in IFRS 3 are appropriate to apply when the analogy to IFRS 3 is valid.



EFRAG

35 Square de Meeûs

B-1000 Brussels

Belgium

Oslo, 29 June 2012

Dear Sir/Madam

Discussion paper – Improving the Financial Reporting of Income Tax

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the discussion paper *Improving the Financial Reporting of Income Tax*.

The discussion paper consists of two parts where Part A examines whether significant improvements to IAS 12 should be considered, and Part B reviews the alternative approaches to the accounting for income tax. In this comment letter we have confined ourselves to only comment on Part A.

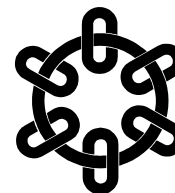
In general, we support EFRAG's Proactive Work in Europe as we believe it provides useful contributions to future standard setting developments. However, we believe proactive projects are more practically expedient when they provide specific suggestions to realisable improvements. It is apparent to us that IAS 12 has deficiencies that should be addressed, but we do not consider the underlying principle of IAS 12 to be fundamentally flawed. Hence, we are supportive of limited amendments to IAS 12 rather than developing a new standard based on an alternative principle. Consequently, we have chosen not to comment on Part B.

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



Question to constituents - General

Q0.1 Do you consider that there are deficiencies in IAS 12 that should be addressed? If so, should they be addressed through limited amendments to the standard or by developing a new standard based on different principles?

Yes we agree that there are deficiencies in IAS 12 that should be addressed. We do not believe that the underlying principle of IAS 12 is fundamentally flawed and support limited amendments to the current IAS 12.

We would emphasize the following deficiencies in IAS 12:

- Prohibition of discounting deferred tax
- Initial recognition exemption
- Measurement of uncertain tax positions
- Transactions with asset in a legal shell (asset deal or business combination)
- Recognition and measurement of deferred tax asset arising from tax losses

Questions to constituents - Part 1: Possible amendments to IAS 12

Q1.1 Under current IAS 12 a difference between the tax paid and the current tax expense reported in the income statement leads to misunderstandings of these relationships.

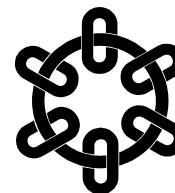
Do you agree that additional disclosure that would provide a reconciliation of the taxes paid and current tax expense will help in understanding this relationship? (Paragraphs 1.15 to 1.18)

We acknowledge that many users of financial statements find it difficult to comprehend the relationship between tax paid and current tax expense. Hence, we agree that additional disclosure providing a reconciliation of tax paid and current tax expense will help understanding this relationship.

Q1.2 Do you agree that additional more detailed disclosures regarding deferred tax assets, especially unused tax losses and unused tax credits are necessary and useful? (Paragraphs 1.23 to 1.24)

We agree that additional more detailed disclosures regarding deferred tax assets are necessary and useful. That said we acknowledge that many entities in practice disclose information about geographical breakdown, maturity analysis, losses carried forward, and other restriction for deferred tax assets.

We believe the current disclosure requirements in IAS 12.81e are of too general nature, and do not require sufficient entity specific information regarding deferred tax assets.



Q1.3 Do you agree with the identified users' information needs in Chapter 1 of Part 1? Do you have any suggestion for additional information requirements regarding reporting of income taxes? (Paragraphs 1.8 to 1.24)

a). Tax strategies and objectives;

We agree that the tax strategies and objectives of an entity may be useful information for users, but we do not agree that such information should be a disclosure requirement. This information could potentially be very judgmental and add little useful information to the financial statements.

b). Clarity on tax risk position;

We agree that clarity on tax risk position is useful information. However the uncertainty of tax risk positions may often be significant and the information disclosed is likely to be highly subjective. In addition, entities will be reluctant to give information that could attract the attention of tax authorities. Consequently, we believe the nature of tax risk positions often will be incompatible with users' information needs.

c). Cash tax and future tax cash flows;

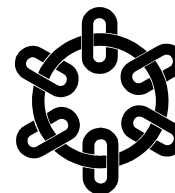
We agree that cash tax and future cash flows are useful information. In some cases we acknowledge that entities will have good visibility as to the timing of future tax flows. However, future tax cash flows are often driven by factors that are out of control of the entity. Thus, the estimates of future tax cash flows may not be reliable.

d). A clear explanation of the difference between the taxes paid and the charge made in the income statement;

We are supportive of more information about the difference between taxes paid and charge made in the income statement. See answer in Q1.1

e). A clear explanation as to why the current tax charge is not equivalent to the accounting profit at the statutory rate of tax (tax rate reconciliation);

We agree that tax rate reconciliation adds useful information to the financial statements. However, in practice we observe a great diversity in presentation of tax rate reconciliation. We believe this diversity reduces the informative value of financial statements. In our opinion, a more standardized presentation of tax rate reconciliation would be helpful for users and increase the informative value of financial statements.



f). Improved understanding of the effective tax rate;

We agree that the effective tax rate is useful information. In practice there is diversity in how this numerical reconciliation is presented. We believe the effects of foreign tax rates should be presented on a single line in the reconciliation. We also believe that additional information about the geographical composition of the tax expense would be valuable.

g). A reasonable value of losses carried forward (or other deferred tax assets).

A reasonable value of loss carried forward can be difficult to estimate. In our opinion information about geographical breakdown, maturity analysis, and other restrictions will add sufficient useful information of losses carried forward.

Q1.4 Do you agree that tax strategies to accommodate user information needs should be disclosed in the management commentary and not in the financial statements? Why or why not? (Paragraphs 1.8 to 1.9)

An entity's tax strategy could be useful information in the management commentary, but we are concerned that this information would be boilerplate with less relevant information.

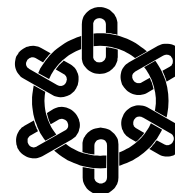
Q1.5 The reconciliation of the actual tax charge to the charge on profit at the statutory tax rate (tax rate reconciliation) is quite complicated and leads to some misunderstandings.

Do you agree that the suggestions made in the paper are helpful by clarifying the explanation why the current tax charge is not equivalent to the standard rate of tax applied to the accounting profit? Why or why not? (Paragraphs 1.19 to 1.20 and 2.21 to 2.34)

We acknowledge that a more standardized presentation of the reconciliation would increase comparability of reporting entities.

Q1.6 The amounts currently disclosed provide limited information about future tax cash flows. How would you suggest the disclosures in IAS 12 be improved to provide better information about future cash flows? (Paragraphs 1.13 to 1.14 and 2.35 to 2.40)

We do not support complete estimates of future tax cash flows. Estimates of future tax cash flows will be often be highly uncertain and provide limited relevant information.



Q1.7 The possibility of discounting deferred tax balances is discussed in paragraphs 2.44 to 2.50. In your view, should discounting deferred tax amounts be required? Please explain.

We strongly support discounting deferred tax amounts as this would reflect the time value of these future tax amounts. Prohibiting discounting of deferred tax is inconsistent with other measurement requirements of IFRS that generally require liabilities to be discounted where the effect is material.

In our opinion discounting deferred tax amounts should be mandatory provided that the discounting effect is significant. Thus, we do not support a general requirement to discount all deferred tax amounts regardless of materiality.

Q1.8 Currently IAS 12 neither provides explicit guidance for accounting for uncertain tax positions nor contains any specific disclosure requirements regarding the tax risk position.

- (a) Do you agree required information regarding uncertain tax positions should be disclosed? If so, which of the following do you prefer:

Alternative 1: Disclosure requirements should be included in management commentary.

Alternative 2: Disclosure requirements should be split in two parts. Part 1 would include disclosure of all positions for which the tax payer must establish a tax provision under IFRS and will be disclosed in notes to the financial statements. Part 2 would include all other uncertainties regarding income taxes for which no provision is recognised. (Paragraphs 1.10 to 1.12)

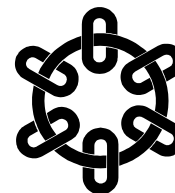
We agree required information regarding uncertain tax positions should be disclosed. We support alternative 2, but we believe the requirements in IAS 8 encompass all items with uncertainty where judgment is required, including uncertain tax positions.

In practice entities usually disclose information about uncertain tax positions concerning significant cases already known.

- (b) Do you agree that IAS 12 should address the recognition and measurement of uncertain tax position? Why or why not? If you agree, should the measurement be based on the most likely outcome or a probability weighted method? Should measurement include the likelihood the tax position will be reviewed by the tax authorities or should that review be assumed? (Paragraph 2.51 to 2.59)

We do not see any basis for treating uncertain tax positions differently from other uncertain positions. Hence, we would prefer that uncertain tax positions are covered by IAS 37 rather than in a standard on income tax. This would also allow for such positions to be subject to the disclosure exemption in IAS 37.92.

We do not believe that reporting of uncertain tax positions under IAS 37 has worked less well than other types of uncertain positions. We have no objections to a probability-based calculation of tax positions if this becomes the general measurement system of IAS 37. We emphasize that IAS 37 also contains important safeguards for the reporting entities so that they are not forced to reveal their subjective beliefs when that may be harmful to the entity. This has not been included in the proposal for a new tax standard. Such safeguards are also relevant for tax positions.

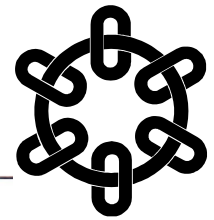


Q1.9 Are there any issues with IAS 12, which are not addressed in Part 1, that would significantly improve the standard? What amendments would address these issues?

See answer in Q0.1.

Q1.10 What is your view on the exemptions that currently exist in IAS 12?

It is not clear to us what is meant by this question. We have, however, significant concerns with the initial recognition exemption.



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, September 4th, 2012

Dear Sir/Madam

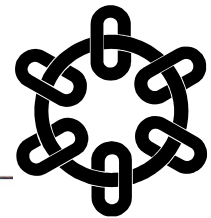
IFRS Foundation Due Process Handbook

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) is pleased to comment on the updated version of the IFRS Foundation Due Process Handbook.

We have no objections to the proposed updated version of the IFRS Foundation Due Process Handbook.

Yours faithfully,
Norsk RegnskapsStiftelse

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



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, September 4th, 2012

Dear Sir/Madam

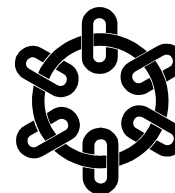
Draft IFIRC Interpretation, DI/2012/1 Levies Charged by Public Authorities on Entities that Operate in a Specific Market

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the draft IFRIC Interpretation.

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,
Norsk RegnskapsStiftelse

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



Question 1—Scope

The draft Interpretation addresses the accounting for levies that are recognised in accordance with the definition of a liability provided in IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Levies that are within the scope of the draft Interpretation are described in paragraphs 3–5.

Do you agree with the scope proposed in the draft Interpretation? If not, what do you propose and why?

We have one specific objection to the scope. We do not agree with the exception in 4c for levies that are subject to a minimum threshold. No good reason has been given for that exception, and we fear that it may become a source for confusion or misconduct.

Otherwise, we have no alternative proposal for the scope. However, the scope being as it is, there is a need to better clarify some terms and concepts. Overall, the concept of a levy is not defined and might be misunderstood. The content of the “non-exchange transactions” criterion in 5c could be more explicit. After all, some of the compulsory payments in certain industries (like a deposit insurance fee for bank) can be seen as a consideration for a right to operate in the market. Also, we are puzzled by the apparent overlap of 5b and 5d.

Question 2—Consensus

The consensus in the draft Interpretation (paragraphs 7–12) provides guidance on the recognition of a liability to pay a levy. Do you agree with the consensus proposed in the draft Interpretation? If not, why and what alternative do you propose?

Within the boundaries of IAS 37 we consider that the consensus contains useful and interesting discussions and conclusions.

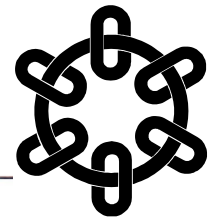
In our view paragraph 11 is redundant as it follows directly from paragraph 5c.

We have had a discussion about the possible use of this interpretation for applications by analogy. It would be useful if the limits of such application by analogy were specified.

Question 3—Transition

Entities would be required to apply the draft Interpretation retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Do you agree with the proposed transition requirements? If not, what do you propose and why?

We agree with the proposal.



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, September 5th, 2012

Dear Sir/Madam

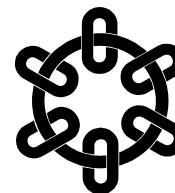
Exposure Draft, ED/2012/1 Annual Improvements to IFRSs 2010-2012 Cycle

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the exposure draft.

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



Proposed amendment to IFRS 2 Share-based Payment

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposal to clarify the definition of service, vesting and performance condition. We do however believe that the last sentence under the definition of vesting conditions; "a performance condition might include a market condition" should be moved to the definition of performance condition where it more naturally belongs.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

As the clarified definition of service, vesting and performance condition could potentially affect the cost of recognised inventory, intangible assets and property plant and equipment we would like the Board to be explicit if the clarified definitions are to be applied prospectively or retrospectively as of 1 January 2014. We would recommend prospective application.

Proposed amendment to IFRS 3 Business Combinations and IFRS 9 Financial Instruments

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposed amendments to IFRS 3 and IFRS 9.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IFRS 3 and IFRS 9.

Proposed amendment to IFRS 8 Operating Segments

Question 1

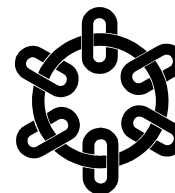
Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposed amendments to IFRS 8.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IFRS 8.



Proposed amendment to IFRS 13 Fair Value Measurement

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We believe such a change is not necessary given the concept of materiality given in IAS 8.

We also have some difficulties with the process of changing the Basis for conclusions of a standard. We do not agree that the Board should use the annual improvement institute to make amendments only to Basis for Conclusions of a standard. We are of the opinion that if the Board sees diversity in practice while it thinks that the standards are clear and a standard does not need to be changed, then the right procedure is an interpretation and not a change to the Basis for conclusion that is not accompanied by a change in a standard.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We believe that the omission of transitional provisions and effective date as opposed to the procedure if a standard had been changed or an interpretation had been issued is clarifying and supporting our views presented to question 1 above.

Proposed amendment to IAS 1 Presentation of Financial Statements

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Boards proposed amendments to IAS 1.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IAS 1.

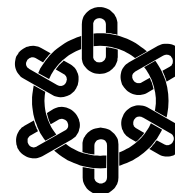
Proposed amendment to IAS 7 Statement of Cash Flows

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Boards proposed amendments to IAS 7. We agree with the changes because we agree with the argument presented in the first sentence in BC2 and because it increases the consistency in the application of IAS 7.

We believe that the Board should further increase the consistency in the application of IAS 7 by deleting the option for non-financial institutions to present the cash flows relating to interests paid, interest received and dividends as operating items.



Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IAS 7.

Proposed amendment to IAS 12 Income Taxes

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We have no objections to the proposed change but in our view this amendment is not necessary since we believe this already is made clear by paragraph 24.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree.

Proposed amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposed amendments to IAS 16 and IAS 38.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IAS 16 and IAS 38.

Proposed amendment to IAS 24 Related Party Disclosures

Question 1

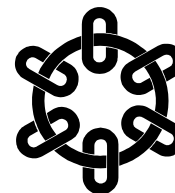
Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposed amendments to IAS 24.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IAS 24.



Proposed amendment to IAS 36 Impairments of Assets

Question 1

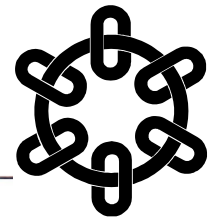
Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposed amendments to IAS 36.

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date for the proposed amendments to IAS 36.



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, October 2, 2012

Dear Sir/Madam

Draft IFIRC Interpretation, DI/2012/2 Put Options Written on Non-controlling Interests

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to comment on the draft IFRIC Interpretation.

We agree with the draft IFRIC Interpretation Put Options Written on Non-controlling Interests.

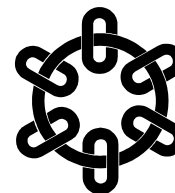
We are of the opinion that it is very important that the IFRS Interpretation Committee issues the proposed interpretation without undue delay. A situation where an interpretation has been discussed but not issued will only give rise to further diversity in practice.

While we agree with the proposed scope, and do not want to sacrifice a timely issuance by widening the scope, we think there is a need to address further issues relating to recognition and measurement of put options written on non-controlling interests. We would like to use this opportunity to inform the IFRS Interpretation Committee that we have observed diversity in practice relating to the discount rate used to measure the liability prescribed in IAS 32.23.

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



Question 1 - Scope

The draft Interpretation would apply, in the parent's consolidated financial statements, to put options that oblige the parent to purchase shares of its subsidiary that are held by a non-controlling-interest shareholder for cash or another financial asset (NCI puts). However, the draft Interpretation would not apply to NCI puts that were accounted for as contingent consideration in accordance with IFRS 3 Business Combinations (2004) because IFRS 3 (2008) provides the relevant measurement requirements for those contracts.

Do you agree with the proposed scope? If not, what do you propose and why?

The area of written puts is by many seen as complex and raises a number of issues relating to recognition and measurement. We are of the opinion that it is very important that the IFRS Interpretation Committee issues the proposed interpretation without undue delay. A situation where an interpretation has been discussed but not issued will only give rise to further diversity in practice.

We agree with the proposed scope and support the timely issuing of the draft Interpretation.

While we agree with the proposed scope, and do not want to sacrifice a timely issuance by widening the scope, we think there is a need to address further issues relating to recognition and measurement. We would like to use this opportunity to inform the IFRS Interpretation Committee that we have observed diversity in practice relating to the discount rate used to measure the liability prescribed in IAS 32.23.

Question 2 - Consensus

The consensus in the draft Interpretation (paragraphs 7 and 8) provides guidance on the accounting for the subsequent measurement of the financial liability that is recognised for an NCI put. Changes in the measurement of that financial liability would be required to be recognised in profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IFRS 9 Financial Instruments.

Do you agree with the consensus proposed in the draft Interpretation? If not, why and what alternative do you propose?

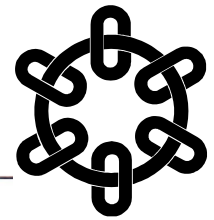
We agree with the consensus proposed in the draft Interpretation and the reasoning given in BC8.

Question 3 - Transition

Entities would be required to apply the draft Interpretation retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Do you agree with the proposed transition requirements? If not, what do you propose and why?

We agree with the transition requirements proposed in the draft Interpretation and the reasoning given in BC12.



The Trustees of the IFRS Foundation
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, October 24th, 2012

Dear Sir/Madam

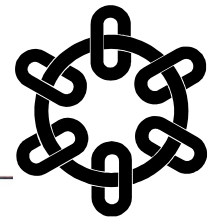
The Trustees of the IFRS Foundation: Drafting review of the IFRS Foundation Constitution

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) is pleased to comment on the Drafting review of the IFRS Foundation Constitution.

We support the proposed changes.

Yours faithfully,
Norsk RegnskapsStiftelse

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



International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, November 19th, 2012

Dear Sir/Madam

Request for Information – Post-implementation Review: IFRS 8 Operating Segments

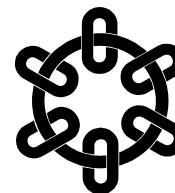
Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its answers to the above Request for Information (RFI).

As this is the first Post-implementation Review (PIR) conducted by IASB we would like to comment that the scope of the PIR in our opinion is too narrow. We think that it would have been useful to get more information on how the entities apply IFRS 8 today.

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



Question 1

Are you comparing IFRS 8 with IAS 14 or with a different, earlier segment-reporting Standard that is specific to your jurisdiction?

In providing this information, please tell us:

(a) what your current job title is;

(b) what your principal jurisdiction is; and

(c) whether your jurisdiction or company is a recent adopter of IFRSs.

In answering to your RFI we are comparing IFRS 8 with IAS 14.

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) is the standard setting board in Norway. Norway adopted IFRS in 2005. We have not done a survey among financial statement users and producers on the topics discussed in this RFI, so the opinions expressed in this RFI are based on discussions and communications we have had with representatives of audit firms and public entities in Norway.

Question 2

What is your experience of the effect of the IASB's decision to identify and report segments using the management perspective?

The principle to base segment information disclosures on the management perspective serves to provide useful and relevant information to users of the financial statement. The prevailing view among those we have talked with is that IFRS 8 provides more useful information to the users than IAS14, as the information is more tailor-made to the entity's business and situation. The information also conveys information about management's priorities and focus and the perceived value drivers in the business. Standard information defined for all entities does not to the same extent provide this information. However, there have been raised concerns that IFRS 8 has taken the management view too far and hence led to decreased comparability. There are also concerns related to lack of geographical information under IFRS 8. Disclosures of external revenues, as required today, might not be sufficient to evaluate the performance of the group in a good manner. We therefore encourage the IASB to consider whether IFRS 8 has taken the management view a step too far and whether for example the disclosure requirement of geographical information should be extended.

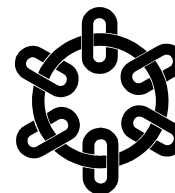
However, our impression is that most entities in Norway base their management reporting on either a product distribution or a geographical distribution that were already to a great extent reflected in their segment information disclosures under IAS 14. For that reason, the number of segments reported has not changed significantly as a result of transitioning from IAS 14 to IFRS 8.

Question 3

How has the use of non-IFRS measurements affected the reporting of operating segments?

In our experience, segment information disclosures of most entities are based on IFRS measurements. However, we have experienced examples where new interpretations have changed the IFRS amounts whereas the amounts in the segment reporting have remained unchanged. One example is IFRIC 15, where some entities within the Real Estate industry in Norway had to change from POC accounting to sale of goods. The entities, which did not change their segment reporting, were of the opinion that POC accounting reflected the entity's performance in a better way and continued to base their internal management reporting on POC figures.

Another example arises when IFRS 11 *Joint Arrangements* will remove the alternative to use proportionate consolidation for joint arrangements. Many producers of financial statements are of the



opinion that this will reduce the information to users and hence have expressed that they will continue to use proportionate consolidation in their internal reporting and segment reporting.

Question 4

How has the requirement to use internally-reported line items affected financial reporting?

Reporting is simplified when external and internal measures are aligned. Quality assurance is easier as there is one set of numbers prepared and analysed for all purposes. The need to report internal measures to the external market to some extent improved internal processes to define such measures in a robust way, as the external perspective is brought in early in the process. Further, the previous need to prepare information for external compliance is reduced, which constitutes an improvement. We have also observed that the use of key figures like EBITDA has increased.

Question 5

How have the disclosures required by IFRS 8 affected you in your role?

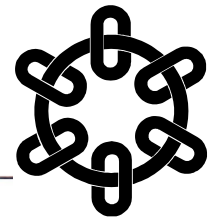
The requirements are considered less burdensome as there is no need to prepare alternative information because internally used information suffices for compliance. The challenges that the entities face are primarily related to preparing comparable numbers when the segment structure has changed. However, users may need to have this information reported., Thus we consider the standard's requirements to be balanced in this area.

Question 6

How were you affected by the implementation of IFRS 8?

As far as we have experienced, most entities did not incur significant unexpected cost when implementing the Standard.

We believe that the Standard is sufficiently clear. The standard requires judgement in identification of CODM, defining operating segments and aggregations of operating segments, which has led to some diversity in practice. However, we do not consider that this is a major problem for Norwegian entities and therefore we have not identified any need for additional guidance or changes in the approach.



IFRS Foundation
30 Cannon Street
London EC4M 6XH
UK

Cc: EFRAG

Oslo, December 17th, 2012

Dear Sir/Madam

Proposal to Establish an Accounting Standards Advisory Forum

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) welcomes the opportunity to submit its views on the Proposal to Establish an Accounting Standards Advisory Forum (ASAF or the Forum).

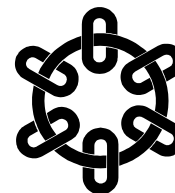
We support the proposal to establish more formalised procedure for communication between the IASB and NSS and regional bodies involved with accounting standard-setting. We also agree that the forum should be an advisory body, and not a part of the decision-making structure of the IASB.

We further agree that, to be technically effective and efficient in the discussions as well as globally representative, the size of ASAF should be limited to no more than twelve non-IASB members. This being said, we have no strong opinion on whether the correct number is twelve or a few more. However, making the decision one should also take into account that flexibility will be required to allow representation by additional individuals with specialist expertise where appropriate.

We support the proposal that membership would be on the basis of organisational representation rather than on an individual basis. We think that the objective of bringing to the table a broad range of relevant perspectives should guide how the representation from each region is organised. For some regions the objective may be better served if the membership is held by the regional bodies, rather than by individual organisations in that region. The regional body should then be responsible for coordinating the representation from that region. Specifically we think that for Europe the representation should be coordinated through EFRAG. Instead of three individual European organisations having one member each, EFRAG would have three representatives, representing Europe. As mentioned in the proposal, ASAF representatives will need to ensure that they consult others within their region to ensure that they understand their perspectives. For Europe we do not see how this could be done in a better way than through EFRAG.

Alternatively, if the IFRS Foundation will decide that EFRAG will not have all three European seats, we would argue that EFRAG should have at least one seat. If the two remaining European seats would go to national standard-setters, including the non-EU countries, we would be glad to be candidate to one of those seats.

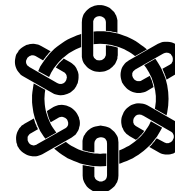
We support the proposed frequency of meetings of ASAF. As for the chairmanship there are arguments for the proposed arrangement as well as for an arrangement whereby the chairman is selected among the other ASAF members.



We suggest that a decision to establish ASAF is accompanied by a commitment to review the structure after not more than three years of operation.

Yours faithfully,

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



Appendix

Question 1—Do you agree with the proposed commitments to be made by ASAF members (paragraph 6.4) and that they should be formalised in a Memorandum of Understanding (paragraph 6.5)? Why or why not?

We have some concerns regarding the commitments. We agree that some kind of commitment could be required from the members, and it seems appropriate to formalise them in MoU. Of the proposed commitments listed in para. 6.4 we consider no. 1, 2 and 5 to be reasonable. However, an obligation to promote endorsement in a MoU is not compatible with the roles that some organisations have to advise governments on that question. We also think that an obligation to support consistent application is an interpretative or supervisory task beyond what is normally the roles of a NSS. In our view the commitments stated in para. 6.4 should be rethought and reformulated.

Question 2—The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paragraphs 6.7–6.13? Why or why not?

We agree that the ASAF should be compact in size, in order to be effective, but large enough to allow for an appropriate global representation. Also for this reason, we think that membership could primarily be organised through the regional bodies. See further comments on that issue in our cover letter.