

18 July 2018

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

Cc: EFRAG

Dear Sir/Madam

Exposure Draft 2018/1: Accounting Policy Changes - Proposed Amendments to IAS 8

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board – the NASB) is pleased to respond to your invitation to comment on the Exposure Draft ED/2018/1 proposing amendments to IAS 8 related to accounting policies changes.

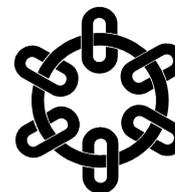
The NASB supports the IASB's work to facilitate changes in accounting policies when new policies result in more relevant information that faithfully represents the phenomena that it purports to represent. However, the NASB is not convinced that all changes in accounting policies resulting from agenda decisions should be considered voluntary, and it does not agree in distinguishing between those voluntary accounting policy changes that result from agenda decisions and those that result from other voluntary changes in accounting policies. When accounting policy changes are considered voluntary, there is no need to regulate the timing of the implementation of the change.

Moreover, the NASB does not agree in introducing a new threshold based on cost-benefit considerations by the reporting entities to facilitate voluntary changes in accounting policies. Rather, the NASB encourages the IASB to consider modified retrospective application as an option for *all* accounting policy changes (ref IFRS 15.C3(b) as an example).

The comments above are more fully explained in the appendix to this letter. You are welcome to contact us if you would like to discuss any specific issues addressed in our response further.

Yours faithfully,

Karina Vasstveit Hestås
Chair of the Technical Committee on IFRS of Norsk RegnskapsStiftelse



Appendix

Responses to specific questions

Question 1

The Board proposes to amend IAS 8 to introduce a new threshold for voluntary changes in accounting policy that result from an agenda decision published by the IFRS Interpretations Committee. The proposed threshold would include consideration of the expected benefits to users of financial statements from applying the new accounting policy retrospectively and the cost to the entity of determining the effects of retrospective application.

Do you agree with the proposed amendments? Why or why not? If not, is there any particular aspect of the proposed amendments you do or do not agree with? Please also explain any alternatives you would propose, and why.

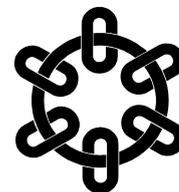
The NASB does not support the proposals in the exposure draft insofar as it disagrees with introducing a distinction between voluntary changes in accounting policies resulting from agenda decisions and other voluntary changes in accounting policies. Moreover, the NASB does not agree in introducing a new threshold based on the reporting entities' cost-benefit consideration; different entities will probably consider cost-benefit very differently, especially the benefits. Rather, the NASB suggests that the IASB considers modified retrospective application as an option for all policy changes. To the NASB's knowledge, the modified retrospective method in IFRS 15. C3(b) has worked well and such a method should be considered as a general option for all accounting policy changes.

Question 2

The Board decided not to amend IAS 8 to address the timing of applying a change in accounting policy that results from an agenda decision published by the IFRS Interpretations Committee. Paragraphs BC18–BC22 of the Basis for Conclusions on the proposed amendments set out the Board's considerations in this respect.

Do you think the explanation provided in paragraphs BC18–BC22 will help an entity apply a change in accounting policy that results from an agenda decision? Why or why not? If not, what do you propose, and why? Would you propose either of the alternatives considered by the Board as outlined in paragraph BC20? Why or why not?

The NASB agrees that reporting entities must have sufficient time to implement accounting policy changes. However, the proposed regulation appears somewhat strange. Firstly, as long as the change is considered voluntary, the time for implementation should also be voluntary. It appears from the discussion in the exposure draft that some agenda decisions are considered mandatory. In such cases, the IASB should decide a deadline for change that gives the reporting entities sufficient time. Secondly, if agenda decisions are discussed in authoritative



sources, such as in accounting standards, the agenda decisions do not appear as non-authoritative as other non-authoritative sources.