



4. June 2014

Ms Françoise FLORES
EFRAG Chair
35 Square de Meeûs
B-1000 Brussels
Belgium

Dear Madam

Re: The role of the business model in financial statements

Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board) hereby takes the opportunity to submit its views on the research paper *The role of the business model in financial statements*.

The tentative view presented in the paper is that financial statements based on the business model meet the qualitative characteristics in the IASB Conceptual Framework. We do not agree with this view and we believe that the concept of Business Model or the role of Business Model in Financial reporting should be explicitly justified in those circumstances it is introduced.

To introduce a more explicit use of business model in financial reporting in general would in our view not enhance transparency and comparability of financial reporting but could rather lead to the opposite.

Furthermore, we are concerned that a shift towards a business model approach in line with the research paper would give rise to an endless period of assessing consequences for recognition, measurement, presentation and disclosures which would severely delay the process of finalising other much awaited standards.

We have not prepared a detailed response to the specific questions raised in the research paper.

Please do not hesitate to contact us if you would like to discuss our response.

Yours faithfully,

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