

**Organismo Italiano di Contabilità – OIC  
(The Italian Standard Setter)**

Italy, 00187 Roma, Via Poli 29  
Tel. 0039/06/6976681 fax 0039/06/69766830  
e-mail: [presidenza@fondazioneoic.it](mailto:presidenza@fondazioneoic.it)

EFRAG  
35 Square de Meeûs  
B-1000 Brussels  
BELGIUM  
[commentletter@efrag.org](mailto:commentletter@efrag.org)

25<sup>th</sup> July 2012

**Re: EFRAG draft endorsement advice and effect study report on Annual Improvements to IFRSs 2009–2011 Cycle**

Dear Françoise,

We are pleased to have the opportunity to provide our comments in order to contribute to the finalization of the EFRAG endorsement advice on Annual Improvements to IFRSs 2009–2011 Cycle.

We agree with the EFRAG's technical assessment of the improvements against the endorsement criteria and the EFRAG's evaluation of their costs and benefits; however we have a concern on the proposed amendment to IFRS 1 - Repeated application of IFRS 1.

With regard to this improvement, we note that a problem could occur for European companies. For example, we could consider the case of the 20X0 financial statement of European company A that does not contain an explicit and unreserved statement of compliance with IFRSs because a standard (e.g. IFRS 9) has not yet been endorsed. On the basis of the improvement, company A could reapply IFRS 1 in the 20X1 financial statement, if all differences with IFRSs were addressed (e.g. with the endorsement of IFRS 9). The repeated application of IFRS 1 would lead to the application of all exemptions provided by IFRS 1 (e.g. no restatement of business combinations), so not limited to new standards endorsed in Year 20X1.

We believe this is an aspect that the European Commission should assess at the moment of the endorsement of the improvement. For example, the European Commission could specify that the repeated application of IFRS 1 is permitted if the most recent previous annual financial statements

did not contain an explicit and unreserved statement of compliance with IFRSs endorsed in the European Union.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò  
(Chairman)