



INSTITUTO DE  
CENSORES JURADOS  
DE CUENTAS DE ESPAÑA

*Presidente*

Ms. Françoise Flores  
Chairwoman  
EFRAG and TEG  
35 Square de Meeûs  
B-1000 Brussels  
BELGIUM

Madrid, 30<sup>th</sup> of September 2010

**Re: EFRAG Consultation on Proactive Work**

Dear Madam,

The Instituto de Censores Jurados de Cuentas de España (ICJCE) is pleased to provide EFRAG with its comments to the public consultation on the proactive work of this organisation.

The ICJCE is a public corporation that groups the majority of the professionals authorised to carry out statutory audit in Spain. We are a member of FEE (Fédération des Experts Comptables Européens) and of IFAC and, in this regard, we actively participate in all FEE working parties including the Financial Reporting Policy Group; the Accounting Working Party and the Banks Working Party which are also dealing with this consultation. We note that two members of our Institute are participating in EFRAG proactive projects, specifically the Business Combinations under Common Control Advisory Panel and the Disclosure Framework Advisory Panel. The pro-active work of EFRAG, is ranked as of high interest for us.

Since we agree with the efficiency approach stated by EFRAG in the document, in preparing these comments, we have taken into account the importance of the issues to be analysed and the limited resources of EFRAG.

Below you will find our answers to the specific questions raised in the consultation which we hope will be useful to decide on the future proactive work of EFRAG. Should you need any clarification or if you wish to comment on our answers in depth, please do not hesitate to contact Stefan Hakansson (ICJCE representative to FEE Financial Reporting Policy Group); Jorge Herreros (ICJCE representative to FEE Accounting Working Party) or Adela Vila (Director of the International Department) at [internacional@icjce.es](mailto:internacional@icjce.es)

Yours sincerely,

Rafael Cámara



## **Annex: Answer to the questions**

**Question 1: Prior to this consultation were you aware of EFRAG's Proactive Accounting in Europe (PAAinE) publications? (Copies of publications can be found at <http://www.efrag.org/content/default.asp?id=4109>) Did you find them useful and why or why not? In what ways do you think they could have been improved? Do you think they had a sufficient focus on European issues?**

Yes we were aware of PAAinE publications. As stated in our general comments we are participating in some of the proactive projects of EFRAG and we are aware of the PAAINE publications. All publications of EFRAG are publicized through the monthly bulletin of the ICJCE which is distributed to all our members by email.

Regarding the usefulness of the publications if we take into account the general objective of EFRAG, which is providing advice to the European Commission in the process of endorsement of the International Financial Reporting Standards as issued by IASB, the publications may be considered useful to foster, in a very early stage, the debate and help to set up an European position on specific and complex accounting issues. An early analysis of the projects in the IASB agenda, previous to the publication by IASB of its outcome (a discussion paper or an exposure draft) may help IASB to consider the European perspective in focusing the discussion and drafting the standards and therefore to speed up the IASB standard- setting process. PAAinE publications are also helpful for national standard setters as they provide high quality insight to the standard setting process. However, from the point of view of other stakeholders such as the users or the preparers of the financial information, usefulness of the whole paper in all its length may be considered limited. Users and preparers may find it easier to obtain a better understanding through some kind of project overview or executive summaries of the main conclusions.

We would also like to note that some impact analysis of the initiatives undertaken could be helpful but considering the limited resources of EFRAG to this initiative this should be carefully weighed.

**Question 2: Based on the description above (under 'How we influence the IASB'), at what point in the standard-setting process should EFRAG focus its proactive work? Also are there specific aspects of financial reporting where we should concentrate our activities?**

As stated in our comments in question two, the earlier may EFRAG provide thought leadership and influence the IASB standard-setting process, the more effective will be.

Further we wish to point out that, in general terms nowadays all issues are global issues. Although a European position or perspective regarding a specific issue may exist, we are of the opinion that generally the accounting concerns from a European Financial Reporting perspective should not widely differ from those identified at global level.



**Question 3: Table 2 'Proposed Proactive Projects' below identifies projects where EFRAG considers it may be useful to undertake proactive work. Can you rank the projects from most to least important based on EFRAG's strategic aims:**

The ICJCE is of the opinion that the post-implementation review is a very important issue to be considered; either the review of the process, in order to better assist IASB in developing its policy and to prepare helpful and accurate information about the experience in Europe of the implementation of specific controversial IFRSs-IFRICs, for instance IFRIC 12.

**Question 4: If there are other projects you consider more important include them in your ranking and provide a short description of them along with your reasons as to why you believe they are important for EFRAG to consider.**

Since the Financial Instruments area is a priority in the agenda of IASB and also a matter of concern of supervisors and regulators, we believe that this could be an issue to include in the list of topics to be addressed by EFRAG.