



## INVITATION TO COMMENT ON FICE EFRAG SECRETARIAT WORKING PAPER: EARLY-STAGE ANALYSIS

Once filled in, this form should be submitted by 1 April 2019 using the 'Comment publication link' available at the bottom of the respective news item. All open consultations can be found on EFRAG's web site: [Open consultations: express your views.](#)

The EFRAG Secretariat is seeking stakeholder comments on this EFRAG Secretariat Working Paper (Working Paper) that provides an early-stage analysis of some possible effects of the IASB's Discussion Paper DP/2018/1 *Financial Instruments with Characteristics of Equity* (IASB DP). The EFRAG Secretariat seeks your comments to the following questions:

### Your details

1 Please provide the following details:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Polish Accounting Standards Committee (PASC)

- (b) Are you a:

Preparer  User  Other (please specify)

Standard-setter, responsible for issuing standards that supplement financial reporting regulatory framework

### Specific questions

2 Do you find this type of early stage analysis to be useful?

Yes, we appreciate the efforts taken by the EFRAG's group. The analysis carried out from the preparers' and users' point of view is very useful in estimating the potential impacts on financial statements of financial and non-financial entities, including their financial position from the perspective of non-accounting regulatory frameworks, especially for banks and insurance entities.

3 Do you have any comments on the findings included within this Working Paper?

The findings are quite interesting taking into consideration the impact of proposed regulations of distinction between equity and non-equity instruments in which preparers' and users' preliminary views are different as to the cost-benefit analysis and eg. their impact on cost of capital. We acknowledge that considerations and findings concerning European Public Good (Chapter 4 and 5) are European oriented only. This part of the Paper - in terms of endorsement process for IFRS acceptance in EU – seems to be very valuable for European Commission and the European Community as a whole. Although they are less relevant from the global perspective. We especially appreciate those parts of the paper, which correspond to potential

*Financial Instruments with Characteristics of Equity*  
*Invitation to Comment on Early-Stage Analysis*

effects of the proposed regulations and have not been identified by the IASB DP, like in Chapter 3.

Having in mind European Public Good perspective and its relation to global IFRS we would suggest to change the order of the paper – moving Chapters 4 and 5 to the last sections of the paper.

- 4 Do you have any suggestions to enhance the usefulness for future work on this project on *Financial Instruments with Characteristics of Equity*?

Relatively little focus in the paper was given to transitional provisions of the new IASB regulations. We do not take the position, whether the proposed regulation should have any special transitional provisions, but we would expect such analysis, which could make the analysis more useful both for the EU and for IASB.

- 5 Do you have any suggestions to enhance the usefulness for other standard setting related early-stage exercises?

Please, refer to our views on point 4.

Having in mind two dominant patterns in Europe (and also seen on the global scale): Continental and Anglo-Saxon ones, we would find very useful future survey empirical analysis supporting the findings by distinction between Continental constituents and Anglo-Saxons. This would indicate, how new IASB proposals would be perceived by future users of those regulations.