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## **Getting a Better Framework - COMPLEXITY - Bulletin**

**18 May 2014**

I'm Denise Juvenal this is pleased to have the opportunity to comment on this consultation for Getting a Better Framework – Complexity of the European Financial Reporting Advisory Group - EFRAG. This is my individual commentary for the EFRAG.

**This Bulletin is issued by the European Financial Reporting Advisory Group (EFRAG), the French Autorité des Normes Comptables (ANC), the Accounting Standards Committee of Germany (ASCG), the Organismo Italiano di Contabilità (OIC) and the UK Financial Reporting Council (FRC). The publication of Bulletins is part of their strategy to stimulate debate within Europe, and keep European constituents informed, as the IASB develops its Conceptual Framework. Any views expressed are tentative: the issuing bodies will develop their final views after considering responses to this Bulletin and other developments in the debate.**

**Further information about the work of the project partners, including regular newsletters, is available on the partners' websites.**

**We would welcome your views on any aspect of this Bulletin. In particular:**

**(i) Do you think there should be explicit discussion of the different aspects of complexity in the Conceptual Framework?**

Yes, I think that the complexity in the Conceptual Framework should be explicit discussion because the international standards needs to have continuous modifications principally in relation the measurement, hedge, valuation and risk analysis. These subjects are very difficult, complex and important for this moment for public and private sectors in relation the International Standards.

**(ii) Are there any aspects of complexity in accounting not covered by this Bulletin that should be covered?**

No, There are not aspects of complexity in accounting not covered by this Bulletin that should be covered. I suggest that the Board hold discussions as follows:

The International Organization of Securities Commissions - IOSCO has two discussions that are related--“Research publishes paper on Corporate Bond Markets<sup>1</sup> and the CPSS-IOSCO post responses to consultation on the assessment methodology for the oversight expectations applicable to critical service providers<sup>2</sup>”. The Financial Reporting Council – FRC elaborate discussion about the “Revised operating procedures for reviewing corporate reports<sup>3</sup>” and the European Securities and Markets Security - ESMA described about long term savings and investments<sup>4</sup> and highlight for cross-sectoral risks<sup>5</sup>. These matters can be useful for development of international standards.

Although, The focus for the new decade ought to consider global education and research as Conference World Economic Forum 2014<sup>6</sup> and The Conference about International Banking: Microfoundations and Macroeconomic Implications<sup>7</sup> elaborated for IMF in June 2014.

The Government Accounting Standards Board – GASB elaborates new discussion about GASB Issues Exposure Draft on Fair Value Measurement and Application<sup>8</sup> the results of this discussion can be improve this exposure draft.

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<sup>1</sup> <http://www.iosco.org/news/pdf/IOSCONEWS326.pdf>

<sup>2</sup> <http://www.iosco.org/news/pdf/IOSCONEWS325.pdf>

<sup>3</sup> <https://www.frc.org.uk/Our-Work/Publications/Corporate-Reporting-Review/Consultation-Paper-Revised-operating-procedures-fo.aspx>

<sup>4</sup> <http://www.esma.europa.eu/news/Steven-Maijoor%E2%80%99s-keynote-speech-EuroFinUse-Conference-Better-Finance-Manifesto?t=326&o=home>

<sup>5</sup> <http://www.esma.europa.eu/European%20Supervisory%20Authorities%20highlight%20cross-sectoral%20risks?t=326&o=home>

<sup>6</sup> <http://www.weforum.org/content/global-agenda-council-future-universities-2012-2014>

<sup>7</sup> <http://www.imf.org/external/np/seminars/eng/2013/mmi/>

<sup>8</sup> [http://www.gasb.org/cs/ContentServer?c=GASBContent\\_C&pagename=GASB%2FGASBContent\\_C%2FGASBNewsPage&cid=1176164052460](http://www.gasb.org/cs/ContentServer?c=GASBContent_C&pagename=GASB%2FGASBContent_C%2FGASBNewsPage&cid=1176164052460)

In relation to valuation and risk analysis, The International Valuation Standards Council – IVSC has elaborated great discussions for measurement and valuation principally the Role for Audit Process<sup>9</sup> and principally the framework for Competence for Professional Valuers<sup>10</sup>.

Although, the meeting of The G20<sup>11</sup>, which I consider very important, included information of The Financial Stability Board<sup>12</sup> in the meeting of April 10-11/2014, some decisions can increase the discussions principally with relation valuation and risk analysis (financial reforms).

The Public Company Accounting Oversight Board - PCAOB<sup>13</sup> describes in the Proposed Auditing Standards on the Auditor's Report and the Auditor's Responsibilities Regarding Other Information and Related Amendments that the results of discussion can improve this discussion.

The European Commission - EC<sup>14</sup> and the EUROPEAN FEDERATION OF ACCOUNTANTS AND AUDITORS FOR SMES – EFAA<sup>15</sup> elaborate the papers about results of research that includes European Parliament backs Commission proposals on new rules to improve the quality of statutory audit and The Implementing the New European Accounting Directive - Making the right choices, respectively.

In this case, the process of internal control and the importance about audit quality elaborated for IFAC<sup>16</sup> and the Framework elaborated for COSO<sup>17</sup> is very important for Integrated Reporting<sup>18</sup> and XBRL<sup>19</sup> included with the modifications of Auditing Standards and has attention for Global Reporting<sup>20</sup> in relation the reporting of sustainability.

I consider that the research about corporate governance of the Financial Reporting Council FRC<sup>21</sup>, the discussions in the European Commission Internal Markets<sup>22</sup>, the discussions about public sector elaborated for EUROSTAT/European Commission<sup>23</sup> and The International Accounting Standards Board – IASB elaborated IASB in May 2014 agrees charter of mutual co-operation with accounting standard-setting community<sup>24</sup>, can be improve in relation the research about financial crisis.

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<sup>9</sup> <http://www.ivsc.org/sites/default/files/Valuers%20Guide%20to%20Audit%20-%20Released%20ED.pdf>

<sup>10</sup> [http://www.ivsc.org/sites/default/files/20120228\\_prof\\_valuer.pdf](http://www.ivsc.org/sites/default/files/20120228_prof_valuer.pdf)

<sup>11</sup> [https://www.g20.org/sites/default/files/g20\\_resources/library/Communique%20Meeting%20of%20G20%20Finance%20Ministers%20and%20Central%20Bank%20Governors%20Washington%20DC%2010-11%20April%202014\\_0.pdf](https://www.g20.org/sites/default/files/g20_resources/library/Communique%20Meeting%20of%20G20%20Finance%20Ministers%20and%20Central%20Bank%20Governors%20Washington%20DC%2010-11%20April%202014_0.pdf)

<sup>12</sup> [https://www.g20.org/sites/default/files/g20\\_resources/library/Financial%20Reforms%20Update%20on%20Progress.pdf](https://www.g20.org/sites/default/files/g20_resources/library/Financial%20Reforms%20Update%20on%20Progress.pdf)

<sup>13</sup> <http://pcaob.us/Rules/Rulemaking/Pages/Docket034.aspx>

<sup>14</sup> [http://europa.eu/rapid/press-release\\_STATEMENT-14-104\\_en.htm?locale=en](http://europa.eu/rapid/press-release_STATEMENT-14-104_en.htm?locale=en)

<sup>15</sup> <http://www.efaa.com/files/pdf/Publications/Annual%20reports/2014/EFAA%20MSO%20in%20Accounting%20Directives%20Report%20140408.pdf>

<sup>16</sup> <https://www.ifac.org/auditing-assurance/focus-audit-quality>

<sup>17</sup> <http://www.coso.org/documents/FINAL%20News%20Release%20-->

<sup>18</sup> [How%20Frameworks%20Improve%20Organizational%20Performance%20and%20Governance%20--%2002%2010%2014.pdf](http://www.coso.org/documents/How%20Frameworks%20Improve%20Organizational%20Performance%20and%20Governance%20--%2002%2010%2014.pdf)

<sup>19</sup> <http://www.theiirc.org/consultationdraft2013/>

<sup>20</sup> [http://www.ifrs.org/XBRL/Resources/Documents/ITI\\_ByFS\\_2014\\_IR1\\_complete.pdf](http://www.ifrs.org/XBRL/Resources/Documents/ITI_ByFS_2014_IR1_complete.pdf)

<sup>21</sup> <https://g4.globalreporting.org/Pages/default.aspx>

<sup>22</sup> <http://www.frc.org.uk/Our-Work/Publications/FRC-Board/Speech-by-Stephen-Hadrill-at-Brussels-event-on-En.aspx>

<sup>23</sup> [http://ec.europa.eu/internal\\_market/auditing/news/index\\_en.htm](http://ec.europa.eu/internal_market/auditing/news/index_en.htm)

<sup>24</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/public\\_consultations/consultations](http://epp.eurostat.ec.europa.eu/portal/page/portal/public_consultations/consultations)

<sup>25</sup> <http://www.ifrs.org/Alerts/Governance/Pages/IASB-agrees-charter-with-accounting-standard-setting-community.aspx>

Thank you for opportunity for comments this proposal; if you have questions do not hesitate contact to me, [rio1042370@terra.com.br](mailto:rio1042370@terra.com.br).

Yours Sincerely,

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