

Rådet för finansiell rapportering

The Swedish Financial Reporting Board

RFR-rs 2010:16

International Accounting Standards Board
30 Cannon Street
London EC4M 6 XH
United Kingdom

Dear Sirs,

Re: DI/2010/1 Stripping Costs in the Production Phase of a Surface Mine

The Swedish Financial Reporting Board is responding to your invitation to comment on the DI/2010/1 Stripping Costs in the Production Phase of a Surface Mine.

We question that an interpretation is issued for such a narrow issue as the accounting for production stripping costs in a surface mine. In our view there is sufficient principle guidance in IAS 16 and there is consequently no need for an IFRIC. We recommend the IASB to reevaluate the criteria for when an IFRIC is to be issued.

However, if the IASB should decide not to follow our recommendation but instead pursue its work and issue an IFRIC, our views on the principal matters dealt with in the DI are as follows:

1. All stripping costs should be seen as costs for developing a mine, since all such costs clearly contribute to the development of a mine.
2. The costs should be capitalised in accordance with the requirements of IAS 16
3. The unit of account should be the cash generating unit. We do not agree with the allocation of costs to a specific section of the ore body.
4. We do not support the proposed transition provisions and instead consider that IAS 8 should be applied.

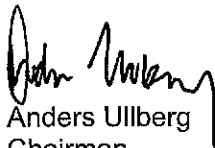


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If you have any questions concerning our comments please address our Executive member Carl-Eric Bohlin by e-mail to: carl-eric.bohlin@radetforfinansiellrapportering.se

Stockholm, 4 November 2010

Yours sincerely



Anders Ullberg
Chairman