

EFRAG
35 Square de Meeus
1000 Brussels
Belgium

By e-mail: Commentletter@efrag.org

24 August 2012

Dear Sir/Madam,

**EFRAG Draft Comment Letter regarding Exposure Draft ED/2012/1,
Annual Improvements to IFRSs 2010-2012 Cycle**

The Accounting Standards Committee (“DASC”) set up by “FSR – danske revisorer” is pleased to respond to EFRAG’s Draft Comment Letter. The Committee discussed the EFRAG Draft Comment Letter during its meeting yesterday.

We generally agree with and support the EFRAG Draft Comment Letter.

Please find below our comments to specific issues:

Issue 2: IFRS 3 – Business combinations: Accounting for contingent consideration in a business combination

We find that the EFRAG DCL is confusing, since in paragraph 9 it is said that “EFRAG agrees...” - which is contrary to paragraphs 10 and 11.

All in all, we do not agree with the proposal.

In our view, it has never been intended that fair value movements on a contingent consideration should be divided into an element regarding own credit risk and other fair value movements where the element regarding own credit risk should be recognised in OCI and other fair value movements in profit and loss (P/L). In our view, fair value movements on a contingent consideration should be recognised in P/L.

Issue 5: IAS 1 – Presentation of Financial Statement: Current/non-current classification of liabilities

According to the DCL, EFRAG agrees with the proposal.

We do not agree. In our opinion, the proposed wording would imply confusion among users of the standard, since it seems to be restricting the conditions on when a liability would be classified as non-current. The intension is, however, only to propose a clarification according to BC2.

In our view, symmetry with the de-recognition criteria in IAS 39 would be preferable.

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We therefore suggest a wording like “at not substantially different terms”, cf. paragraph 40 of IAS 39.

Side 2

Issue 7: IAS 12 – Income Taxes: Recognition of deferred tax assets for unrealised losses

We fully share the concerns expressed by EFRAG, and therefore we question whether the proposal – which seem to be complex - should be dealt with as part of the annual improvement project.

We would be happy to elaborate further on our comments should you wish so.

Kind regards

Jan Peter Larsen
Chairman of the Danish
Accounting Standards Committee

Ole Steen Jørgensen
Chief consultant
FSR – danske revisorer