



Comment Letter on the ED/2015/8 *IFRS Practice Statement: Application of Materiality to Financial Statements*

Comment Letters

European Financial Reporting Advisory Group

35 Square de Meeüs

Brussels B-1000

Belgium

Dear Madam/Sir,

In the present letter ICAC gives its view on EFRAG's position presented in your draft comment letter on IASB's Exposure Draft ED/2015/8 *Practice Statement: Application of Materiality to Financial Statements*).

First of all, ICAC agrees with the IASB's initiative of issuing the guidance proposed in the Practice Statement and considers it helpful in order to provide a common ground for applying judgement in deciding which information is relevant for users and fostering thinking on how materiality is applied.

Regarding the questions proposed to the constituents, ICAC agrees with the issue of the guidance by the non-mandatory form of a practice statement is appropriate and avoids possible conflicts with other applicable regulations in certain jurisdictions. In addition, the IASB's standards due process will give visibility to the Practice Statement.

ICAC agrees also with the importance of the use of illustrative examples within a practical guidance, in order to achieve its principal purpose of a better understanding of the concept of materiality. The most useful scenarios would be those where the decision of whether to include or exclude financial information is really difficult to make, namely where the requirements of judgement to apply are high.

With respect to the content of the Practice Statement, we reckon that the topics suggested by the EFRAG are all reasonable and helpful for improving the practical guidance on materiality.

Finally, we do not find any impediment in issuing the Practice Statement before the finalisation of the IASB's Principles of Disclosure project, taking into account that the IASB does not envisage that the discussion about the definition of materiality will significantly affect the general content of the draft Practice Statement.



MINISTERIO  
DE ECONOMÍA Y  
COMPETITIVIDAD

INSTITUTO DE CONTABILIDAD  
Y AUDITORÍA DE CUENTAS

Please don't hesitate to contact us if you would like to clarify any point of this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ana Mª Martínez-Pina'.

Ana Mª Martínez-Pina

Chairman of ICAC

Madrid, 12<sup>th</sup> February 2016