

To: Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street – London EC4M 6XH

Date: 4 July 2014

Reference: ECO-FRG-14-165

Subject: Insurance Europe's comment letter to the IASB Exposure Draft on the proposed amendments to IAS 1

Dear Mr Hoogervorst,

Insurance Europe welcomes the disclosure initiative project set up by the IASB in 2013 that aims to review the disclosure requirements in existing Standards and to develop principles for disclosures in the notes. We support the general direction of the ED on the proposed amendments to IAS 1 *Presentation of Financial Statements* as one of the first steps in the disclosure project. We believe that the current IAS 1 may have been interpreted too strictly and therefore, in our opinion, the amendments should enable entities to use greater judgment on which information can result in improvements to the relevance of disclosures in the notes to the financial statements.

We are also supportive of the IASB focus on assessing the existing guidance on materiality in a short-term project. Additional education on application could be useful, especially for preparers of financial statements, which are frequently burdened both in day-to-day operations and financially due to a too strict interpretation, leading often to a compliance check-list approach.

Furthermore, we believe the IASB identification that an entity does not have to provide immaterial information (IAS 1 paragraph 31) is the appropriate approach. We understand that some constituents might prefer to introduce an explicit requirement to prevent the disclosure of such information. However, we are convinced that such a change to the IASB proposal could lead to unintended consequences with regard to practicability. For example, it could lead to lengthy debates with auditors in which companies would have to defend their every disclosure. Instead, we believe that the possible IASB application guidance, as a result of a short-term project, is more suitable for assessing the use of materiality overall.

However, we would like the IASB to clarify that the requirement in paragraph 1.115 to cross-reference each item presented in the statement of financial position covers only the cases in which information is provided in the notes as practicable and should not be read as a requirement to include information in the notes for each of the items in the statement of financial position.

In addition, we agree with a comment in the IASB feedback statement (December 2012) regarding its Agenda Consultation that "the disclosure process is affected by the enforcement environment". Insurance Europe therefore encourages the IASB to create sufficient awareness among other stakeholders and other interested parties of the proposals on the application of the amendments. It is essential that appropriate implementation steps are taken to avoid unnecessary disclosure burden. Insurance Europe believes that the IASB has to take a leading role in this process by clearly setting the objectives of disclosure and presentation requirements in IFRS financial statements. European insurers, as part of a highly regulated industry, are committed to accompanying the IASB in the future steps of the Disclosure Initiative project.

Finally, we think that some proposed disclosure requirements for ongoing projects, for example IFRS 4 Phase II, need to be reconsidered as unreasonable and thus contradicting the objective of making disclosures more effective. We propose that the insurance contracts project is a good opportunity to implement the objectives of the disclosure initiative in line with the objective of the newly proposed amendments to IAS 1.

Please feel free to contact us if you have any further questions or comments.
Yours sincerely,



Olav Jones