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Our ref: RJ-EFRAG 569 B
Direct dial: 0031 20 3010235
Date: February 18th 2016
Re: DASB Comment on Exposure Draft *IFRS Practice Statement: Application of Materiality to Financial Statements*

Dear members of the EFRAG Technical Expert Group,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to comment on the Exposure Draft *IFRS Practice Statement: Application of Materiality to Financial Statements* (the 'ED'). The DASB appreciates the IASB's efforts to develop guidance for the application of the concept of materiality to financial statements.

We believe that the ED describes the existing practice with respect to materiality that is currently applied in the Netherlands rather than bringing new concepts. Accordingly, we do not feel that it is necessary to comment to each individual question. However, we would like to share a few comments on the ED which have been summarized below.

Form of the guidance

The DASB agrees that the guidance should be issued as non-mandatory guidance and that a Practice Statement is the appropriate form for the guidance on applying the concept of materiality. We would like to stress that the references in the ED to existing authoritative guidance, such as individual standards and the definition of materiality therein, should be maintained when finalizing the Practice Statement.

Illustrative examples

Considering the topic we support the IASB's proposal to include examples. We believe that some of the examples are very straight forward. We believe that more judgemental situations should be illustrated. For example, it would be helpful if the IASB further clarifies situations where it believes that – based on a materiality assessment – (further) disclosure is not needed.

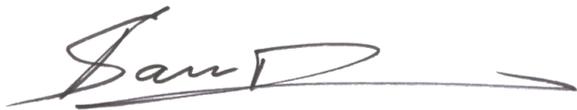
Audience of the proposals

We noted in the Introduction and the paragraphs 1, 6 and BC16 of the ED that the targeted audience seems to be *management*. We understand that management is preparing the entity's financial statements, but we believe that the objective of the Practice Statement should be aligned with the *Purpose and Status* section as included in the Conceptual Framework. In this section – among others – auditors and users are mentioned as well. We recommend to reassess the audience of the ED when finalizing the Practice Statement.

EFRAG Comment Letter

EFRAG considered in its draft comment letter on the ED in paragraph 15 that the examples should be carefully drafted so as to not unintentionally extend the scope of the guidance to information outside the financial statements. In particular, the examples in the ED in paragraphs 22 about ways in which management can identify whether information is or is not useful to primary users and 28a about information that could trigger non-compliance with regulatory requirements or loan covenants. We believe that the application of materiality in these areas does not extend the scope of the guidance to information outside the financial statements and that the examples are useful. We recommend EFRAG to rephrase this comment to avoid the understanding of the response that these examples should be removed. We agree that the drafting of these examples can be improved.

We will be pleased to give you any further information that you may require.
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sampers', with a long horizontal line extending to the right.

Prof. dr. Peter Sampers
Chairman Dutch Accounting Standards Board