

**Organismo Italiano di Contabilità – OIC
(The Italian Standard Setter)**

Italy, 00187 Roma, Via Poli 29
Tel. 0039/06/6976681 fax 0039/06/69766830
e-mail: presidenza@fondazioneoic.it

EFRAG
35 Square de Meeûs
B-1000 Brussels
BELGIUM
commentletter@efrag.org

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**Re: EFRAG draft endorsement advice and effects study report on IFRIC Interpretation
21 Levies**

Dear Françoise,

We are pleased to have the opportunity to provide our comments in order to contribute to the finalization of the EFRAG endorsement advice on IFRIC *Interpretation 21 Levies*.

We agree with your assessment that IFRIC 21 is a technically correct interpretation of the IAS 37 and it is consistent with IAS 37 requirements. However, we believe that the rigorous application of the principles in IAS 37 (i.e. the existence of the obligation event) could lead to technically correct accounting representations but not in line with the outcome expected from a user of the financial statements.

Considering that the main concerns are related to the principle in IAS 37, we believe that the best solution would be to postpone the adoption of IFRIC 21 to the finalization of the Conceptual Framework project that would revise the definition of a liability and, therefore, should determine a revision of the IAS 37. Having said that, in the absence of a withdrawal of the Interpretation, having considered that the Interpretation is consistent with IAS 37 and that the IAS 37 was endorsed in Europe in the past, we are not against the endorsement of IFRIC 21.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò
(Chairman)