

International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

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Exposure Draft ED/2017/5  
**Accounting policies and accounting estimates**

Representing preparers' point of view, the Swedish Enterprise Accounting Group (SEAG) welcomes the opportunity to comment on the Discussion Paper (DP). SEAG generally agrees with the suggested amendments of the definitions of accounting policies and accounting estimates. However, we do not agree with the proposal to add a clarification in IAS 8 that concerns the specific issue of cost formulas in IAS 2. The reasons for this as well as some further comments on the specific questions addressed in the DP are enclosed in the appendix.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE



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*The Swedish Enterprise Accounting Group (SEAG) represents more than 40 international industrial and commercial groups, most of them listed. The largest SEAG companies are active through sales or production in more than 100 countries.*

## Appendix

### **1. The proposed amendment to the definition of accounting policies**

We agree with the proposed amendment, but are not fully convinced that it will add much clarity in practice.

### **2. The relation between accounting policies and accounting estimates and the definition of accounting estimates**

We agree with the proposed amendments.

### **3. Selection of valuation techniques and estimation techniques as accounting estimates**

We agree to this amendment. Whether a change in valuation technique or estimation technique is a change in accounting policy or not is a frequently occurring issue for many preparers. The clarification is therefore welcome.

### **4. Selection of cost estimation method for inventories**

We do not agree with the proposed amendment. Firstly, in relation to the proposed definitions of accounting policies/accounting estimates, we do not believe that the Board's conclusion regarding the selection between the two cost formulas is evident. Secondly, to add a specific rule concerning one specific issue is not in line with the Board's principle based approach. Therefore we believe that the Board should refrain from making this clarification. If the Board finds it necessary to do so anyway, and is able to prove how the clarification aligns with the definitions of accounting policies and accounting estimates, we believe that it should be included in IAS 2 and not in IAS 8. If included in IAS 8, we see a risk that the clarification gives rise to further uncertainty regarding the definitions in IAS 8 that may have implications for other areas.

### **5. Other comments**

We agree with EFRAG's suggestion to change the name of the standard and suggest it is called Accounting Policies, Accounting Estimates and Errors.