

European Financial Reporting Advisory Group - EFRAG
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**FINANCE
DENMARK**

Comments on the EFRAG discussion paper Equity instruments – Impairment and recycling

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Please find below the comments from Finance Denmark to the discussion paper "Equity instruments – Impairment and recycling":

In general we support EFRAG's initiative to explore whether a suitable impairment model or revaluation mechanism can be developed in order to allow recycling of gains and losses on FVOCI-equity instruments at disposal.

In our opinion it is, however, of utmost importance that this initiative does not lead to EU modifications to IFRS. In other words it should only be possible to recycle gains and losses on FVOCI-equity instruments for European entities if this possibility is also included in IFRS - issued by IASB.

In this regard, we recall IASB's reasoning when rejecting the possibility to recycle when the FVOCI-option for equity instruments was included in IFRS 9.

On this basis we encourage EFRAG to find common ground with IASB rather than developing a European solution only to this matter.

If these comments provide any questions please do not hesitate to contact me.

Kind regards

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