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Direct dial : Tel.: (+31) 20 301 0391
Date : Amsterdam, 2nd of February 2015
Re : Comment on 'Exposure Draft 2014/5 Classification and Measurement of Share-based Payment Transactions'

Dear members of the EFRAG Technical Expert Group,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to respond to your draft comment letter, dated December 16, 2014 on 'Exposure Draft 2014/5 Classification and Measurement of Share-based Payment Transactions'.

We agree with your overall conclusion to agree with the IASB's assessment of the issues and with its proposed amendments to address them, as the amendments provide practical solutions that would reduce divergence in the application of IFRS 2 Share-based Payment.
We understand your concern that addressing more and more specific terms and conditions of different share-based plans is resulting in complexity in the requirements of IFRS 2. We believe that this will be difficult to solve as IFRS 2 is from the start not a principle based standard. Practical solutions as proposed in this exposure draft are inevitable and might be needed in the future, for specific application issues of IFRS 2. We agree that IASB should strive to limit the specific guidance.

In your response on question 2, you believe that a plan with the specific characteristics described in paragraph 33D is, in substance, an equity-settled plan in its entirely. We do not concur that it is in substance an equity-settled plan. We concur with IASB that there are divergent views and that the amendment proposes specific guidance to address it.

We also like to inform you that we have asked the IASB a question on the proposed Example 12A. In the example no expense is recognised in year 1, as the probability that the revenue target will be met is 40%. The IASB seems to apply the IAS 37 probability recognition principle in this example instead of an expected value approach. IFRS 2.33A requires that the amount shall be based on the best available estimate of the number of awards that are expected to vest. We believe that the IASB should explain why the approach applied in the example is in line with IFRS 2.33A. We believe that it's important that the IASB also confirms if a same approach should be applied for vesting conditions relating to equity-settled share-based payments (applying IFRS 2.20).

Our answers to the specific question in your draft comment letter, are described below.

Question to constituents
29 Do you agree with EFRAG's recommendation that the amendments should be applied retrospectively unless impracticable, in accordance with the general requirements in IAS 8?

DASB believe that in general retrospective application of the proposed amendments is the preferred method, unless impracticable. In this case, we agree with the proposed prospective application of the amendments in IFRS 2 for practical reasons.

Yours sincerely,

Peter Sampers
Chairman Dutch Accounting Standards Board