CHIEF EXECUTIVE

EBF_014032

Mr Hans HOOGERVORST
Chairman,
International Accounting Standards Board

Email: hhoogervorst@ifrs.org

Brussels, 18 March 2015

Subject: EBF response to the IASB proposed amendments to IAS 7 Statement of Cash Flows

Dear Mr Hoogervorst,

The EBF welcomes the opportunity to comment on the Exposure Draft "Disclosure Initiative – Proposed Amendments to IAS 7" as issued in December 2014.

The EBF, along with many users of bank financial statements does not consider that the consolidated cash flow statement of a bank provides useful information. We would suggest to discuss the extent of the use of credit institutions' statements of cash flows and their necessity first.

Credit institutions already publish information on liquidity and funding which users are likely to find more useful than the cash flow statement and a reconciliation of net debt. Therefore, we suggest that it should be made clear that reconciliation of net debt is a disclosure, rather than a primary statement, and need not be provided in accordance with the concept of materiality being developed as part of the disclosure initiative.

The requirement to disclose restrictions on the ability to use cash and cash equivalent balances is similar to the existing requirement in IFRS 12 'Disclosure of Interests in Other Entities' to disclose significant restrictions on the ability to access or use assets of the group (paragraph 13). Also the existing IAS7 (paragraph 48) requires an entity to disclose restrictions on cash and cash equivalents.

In the interest of reducing duplicative disclosure requirements, it would be helpful to consider whether all these disclosures are necessary or at least to clarify how they are intended to provide different information.

Yours sincerely,

Wim Mijs