

**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 Meeus
1000 Brussels
Belgium

20 April 2015

Re: ED/2014/6 Disclosure Initiative (Proposed amendments to IAS 7)

Dear Françoise,

We are pleased to have the opportunity to provide our comments on your draft comment letter in response to the IASB exposure draft ED/2014/6 Disclosure Initiative (Proposed amendments to IAS 7).

We support view 1 as expressed in your draft comment letter on both the proposed amendments to IAS 7 in the exposure draft. In our view, these proposals could result in financial information that is useful for investors and analysts even if we acknowledge that they do not fully meet the requests of users regarding a net debt reconciliation.

Relating to the proposed amendment to require a reconciliation of debt where cash flows are classified within the financial activities in the cash flow statement, we recommend that the IASB explains in the standard that the entities can provide this disclosure on a net basis reconciliation. Currently this statement is included only in the Basis for Conclusion where there is also the specification of the meaning of the net basis reconciliation. The BC 8 states that "*It was also noted that the requirement for the disclosure should not prohibit disclosures from being provided on a net basis. Net basis, within this context, means the amounts in the statement of financial position for which cash flows have been, or would be, classified as financing activities, excluding equity items, less cash and cash equivalent balances. This is because some preparers may manage debt on a net basis and may already provide this information in the financial statements today—requiring such an entity to change to a 'gross reconciliation' could be perceived as reducing information and limit management's ability to explain its financial and risk management strategies*".

In our view, the IASB should clarify in the BC that the entities that already provide similar information on a voluntary basis may continue to do so.

Regarding the proposed disclosure about restrictions that affect the decisions of entity to use cash and cash equivalents, we believe that the IASB should improve the drafting of these amendments. The aim of this amendment is to expand the disclosure about restrictions on cash and cash equivalents from only legal restrictions to include also economic restrictions in order to improve the quality of the information provided to the investor. The meaning of economic restrictions and thus the wideness of the requirement is no clear. We suggest that the IASB improves the drafting of these amendments and also provides additional guidance or examples. We also express some doubts about the consistency of this amendment with disclosures requirements already provided in IFRS 12 and in paragraph 48 of IAS 7. In our view, the IASB should clarify the relationship among these different provisions avoiding any possible disclosures overloading.

We agree with the transition provisions provided for the amendments to IAS 7, and thus with a prospective application of these new requirements.

Finally, we support the EFRAG's comments regarding the IFRS Taxonomy. We concur that the two due processes should be separated. XBRL is only an electronic format and thus it is not part of the financial reporting regulation and it should not be part of the Exposure Draft process. It is also important to avoid that IFRS taxonomy unintentionally interprets the standards or requires further prescriptive information as consequence of its rigid structure, which is focused on quantitative disclosure.

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

Yours sincerely,

Angelo Casò
(Chairman)