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EFRAG's 2015 proactive agenda consultation

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I am Denise Juvenal this is pleased to have the opportunity to comment on this consultation for EFRAG's 2015 proactive agenda consultation of the European Financial Reporting Advisory Group - EFRAG. This is my individual commentary for the EFRAG.

Guide for respondents:

11 What is your opinion on the effectiveness of the proactive work EFRAG is undertaking?

Yes. In my opinion the effectiveness of the proactive work EFRAG is undertaking, however, in this moment the matters of importance include the organizations. The effectiveness of regulator depends the correct application of the standards in company and each country, for this, the principal observation that the Regulator needs to know if the organizations understand and use correctly these standards.

Furthermore, the integration of National and International Regulators possibility new observation about implementation the standards in each country, I am convinced that EFRAG elaborates great and noteworthy in Europe and around the world, with its experience. So, the experience in Europe about International Standards consolidates new point of view, and vision present in research elaborated by EFRAG together others National and International Regulators.

12 What type of EFRAG projects and output have been more useful:

(a) Discussion Papers

(b) Short Discussion Series Papers

(c) Bulletins

The type of EFRAG projects and output have been more useful are Discussion Papers and Bulletins, in my opinion.

13 Do you support the current mix of output? Please mention an EFRAG paper that you consider in particular useful. And also one that you consider was not so useful. Please indicate your reasoning.

Yes, I support the current mix of output. The current mix of output develop the research in the regulators as organizations, in my view, I consider particular useful these discussions papers: Considering the Effects of Accounting Standards; Getting a Better Framework - COMPLEXITY - Bulletin and Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging and IFRS quality control.

Although, these papers include new decade of IFRS with new idea for future, however, each discussion has specific points that can be great importance or not depends of the moment in the market, for this I agree with the point 8 of the Exposure Draft as I suggest that in the future the EFRAG's Board could include others experiences around the world, if agrees.

14 How do you make the decision to comment or not to comment on an EFRAG proactive project?

I observe that the decision to comment on an EFRAG proactive project is fundamental for development research for organizations and discuss the problems with Key International Regulators around the world, principally to attend private and public sectors, as follows: International Federation on Accountants – IFAC, International Accounting Standards Board – IASB; Financial Reporting Council – FRC, Financial Accounting Standards Board – FASB and Governmental Accounting Standards Board – GASB.

19 How do you see the possible coordination of proactive work between EFRAG and the IASB? Do you think it is important that EFRAG remains an independent contributor?

I think that coordination of proactive work between EFRAG and the IASB is important considering the independence and constitution of both Regulators. The EFRAG contributes with great and important points that its experience improve and

motivate new vision about what is need to do to develop new ideas and reduce the problems of convergence and application of international standards in Europe and as an example for around the world.

23 Do you agree that these projects are relevant for Europe and should be undertaken? How would you see their priority?

Yes, I agree that these projects are relevant for Europe and should be undertaken. In my priority, I am considering the points that IOSCO elaborated in the November about: “IOSCO reports on Transparency of Firms that Audit Public Companies¹ and Implementation monitoring of the PFMI: Assessment and review of application of Responsibilities for authorities², I understand that priority for EFRAG as follows:

Description	My opinion
EFRAG has tentatively decided to start work on the following projects. Preliminary work should be initiated soon:	
(a) Transactions with Government: during the discussion on levies, some suggested to investigate on a comprehensive basis the transactions with Government (including income taxes and Government grants), which share the characteristics of being transactions that the entity does not enter into voluntarily and/or being nonexchange transactions	Low Priority
(b) Impact of remeasurement of liabilities: variable and contingent payments can be included in business combinations, options on non-controlling interests, leases and purchases of tangible and intangible assets. The issue is whether the remeasurement (beyond the unwinding of the discount) should be charged to profit or loss or not. Guidance is available for contingent consideration in business combinations and in the upcoming Standard on Leasing, but not for the other transactions.	High Priority
Other topics that EFRAG is considering for inclusion in its proactive work programme are:	
(a) Impairment model for equity investments: in its endorsement advice on IFRS 9 Financial instrument, EFRAG expressed the view that IFRS 9 could have been a better standard if recycling of profits or losses arising on investments in equity instruments measured at fair value through other comprehensive income had not been prohibited. The prohibition on recycling has been justified by the IASB to avoid the need to assess these instruments for impairment, which has been shown to be complex for available for sale financial assets under IAS 39.	High Priority

¹ <http://www.iosco.org/news/pdf/IOSCONEWS404.pdf>

² <http://www.iosco.org/news/pdf/IOSCONEWS407.pdf>

Description	My opinion
The EFRAG research project would consider issues such as how to identify and measure impairment losses for financial instruments carried at fair value through OCI.	
b) Additional work on the Conceptual Framework, where IASB proposals are deemed to warrant further development.	High Priority

24 In the table in the Appendix to this consultation, the proactive work that EFRAG has carried out or is carrying out at present is listed. There are also topics on which EFRAG has not carried out work. Do you think that EFRAG should undertake work on any of these projects?

I think that in the table in the Appendix to this consultation, the proactive work that EFRAG has carried out or is carrying out at present is listed. I do not understand that EFRAG should include new topics because the relevance and importance in this moment is fundamental for development suggestions for the IASB and others International Key Regulators.

25 Do you see other projects than those listed in the IASB Agenda Consultation or above that EFRAG should undertake?

No. I do not see other projects than those listed in the IASB Agenda Consultation that EFRAG should undertake.

Thank you for opportunity for comments this proposal; if you have questions do not hesitate contact to me, rio1042370@terra.com.br.

Yours,

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