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Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: commentletters@ifrs.org

15 February 2016

Re: Exposure Draft ED/2015/10 – Annual Improvements to IFRSs 2014–2016 Cycle

Dear Mr Hoogervorst

On behalf of RSM International Limited, a worldwide network of independent audit, tax and consulting firms, we are pleased to comment on the IASB's Exposure Draft ED/2015/10 *Annual Improvements to IFRSs 2014–2016 Cycle* ('the ED').

We welcome the IASB's continuing efforts to deal with non-urgent amendments to IFRS in an efficient and effective manner via the Annual Improvements Project, and we support the proposals in the ED as they provide greater clarity and promote consistent application of the concerned Standards.

Our comments and detailed responses to the questions set out in the Invitation to Comment section of the ED are detailed hereafter.

We would be pleased to respond to any questions the Board or its staff may have about any of our comments.

Please do not hesitate to contact me or Joelle Moughanni at +44 207 601 1080.

Sincerely,

Robert Dohrer
Global Leader - Quality and Risk
RSM International

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**Proposed amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*:
Deletion of short-term exemptions for first-time adopters**

Question 1 – Do you agree with the IASB’s proposal to amend the Standard as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree with the proposed deletion of short-term exemptions that provided relief that is no longer available. Also, we agree with the Board that the relief provided by paragraph E6 of IFRS 1 in relation to investment entities is unnecessary.

In general, we believe that outdated provisions such as temporary provisions that have served their intended purpose should be removed from IFRS. We recommend that the IASB considers the introduction of ‘sunset clauses’ when future short-term exemptions are added to IFRS 1 so that it will be possible to remove them as editorial amendments rather than following extensive due process.

Question 2 – Do you agree with the proposed transition provisions as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree. Regarding the unique effective date for all the proposed amendments to IFRS 1, we presume that it should be no earlier than 1 January 2018, to align in particular to IFRS 1.E4A exemption’s lapsing.

Proposed amendments to IFRS 12 *Disclosure of Interests in Other Entities*: Clarification of the scope of the disclosure requirements

Question 1 – Do you agree with the IASB’s proposal to amend the Standard as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree with the proposed clarifying amendments to IFRS 12.

However, we see an inconsistency in the wording of paragraphs B17 and BC2 of IFRS 12 with regard to discontinued operations as underlined below. Whilst we consider that the disclosures in paragraphs B10-B16 of the Standard would not be relevant to discontinued operations, the inconsistency might cause some confusion.

- According to paragraph BC2 of the ED “Paragraph B17 states that the disclosure requirements in paragraphs B10–B16 do not apply to the interests within the scope of IFRS 12 that are classified as held for sale or discontinued operations in accordance with IFRS 5.”
- Paragraph B17 of the ED states that “When an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified as held for sale or as held for distribution to owners in accordance with IFRS 5, the entity is not required to disclose summarised financial information for that subsidiary, joint venture or associate in accordance with paragraphs B10–B16.”

It may also be beneficial to clarify in the Basis for Conclusions that whilst the other disclosures do apply, some may not be relevant to discontinued operations.

Question 2 – Do you agree with the proposed transition provisions as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree.

Proposed amendments to IAS 28 *Investments in Associates and Joint Ventures*: Measuring investees at fair value through profit or loss on an investment-by-investment basis

Question 1 – Do you agree with the IASB’s proposal to amend the Standard as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree with the proposed clarifying amendments to IAS 28.

Question 2 – Do you agree with the proposed transition provisions as described in the Exposure Draft? If not, why and what alternative do you propose?

We agree.

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