Deloitte Touche Tohmatsu Limited
2 New Street Square
London EC4A 3BZ

Tel: +44 (0) 20 7936 3000
Fax: +44 (0) 20 7583 1198
www.deloitte.com

Direct: +44 20 7007 0884
Direct Fax: +44 20 7007 0158
vepoole@deloitte.co.uk

Mde Françoise Flores, *Chairman*
EFRAG
35 Rue de Meeûs
1000 Brussels
BELGIUM

26 August 2011

Dear Mde Flores

Discussion Paper: Considering the Effects of Accounting Standards

Deloitte Touche Tohmatsu Limited is pleased to respond to the European Financial Reporting Advisory Group's Discussion Paper *Considering the Effects of Accounting Standards*.

We welcome the Discussion paper as part of EFRAG's proactive work in Europe. The Discussion Paper is timely, as the IFRS Foundation Trustees are seeking to develop an agreed methodology for effects analyses as part of their Strategy Review. As a result of this Discussion Paper, EFRAG will be able to make an important contribution to the development of such a methodology.

We see effects analysis as one element in the comprehensive due process supporting the development of high-quality financial reporting standards. In the context of International Financial Reporting Standards, the due process is framed by and facilitates achieving the objective of high-quality financial reporting as defined in the IFRS Foundation Constitution and the *Conceptual Framework for Financial Reporting (2010)*. The elements of the due process deployed on a particular project may differ from those followed for others, although some elements will be present in all projects (in particular, the mandatory stages identified in the IFRS Foundation's Constitution, paragraph 37). Effects analysis exists alongside other elements of due process, such as appropriate consideration of technical alternatives, exposure documents, roundtable discussions, field tests and field visits, conversations with regulators, users and other constituents.

We agree with the principle that effects analysis should be an element of the standard-setting process throughout the life cycle of a standard-setting project, including post-implementation reviews. We do not think that the same level of detail is necessary at each stage of a project and think that different procedures might be employed at different stages. What is important is that, for any standard-setting project, overall there has been a systematic and thorough assessment of effects throughout the initiation, research, development and issuance phases of a project. We see the post-implementation review as an opportunity for an independent re-assessment of the effects analysis.

The methodology employed must be scalable, and the extent of effects analysis must be

Deloitte.

appropriate to the project in question (i.e., effects analyses should be proportional). Furthermore, we think that the principle of subsidiarity should apply. Consequently, effects analyses should be conducted by the IASB in conjunction with national or regional agencies with an interest in financial reporting.

We support establishing fundamental principles for effects analysis that are consistent with the overall objective of a comprehensive due process supporting the development of high-quality financial reporting standards. Such principles should be founded on the principles in the IASB's *Conceptual Framework for Financial Reporting (2010).* The principles should guide the methodology and practices adopted and the level of detail required at different stages of a project and for different projects. We are concerned by the level of detail implied in the later sections of the Discussion Paper, which seem to us to be over-engineered or seeks to impose a particular solution. We would not support such prescription, which we see as contrary to the fundamental principles that should underlie effects analysis as a component of a comprehensive system of due process supporting the development of high-quality financial reporting standards.

We think that the next steps of this project should be for EFRAG to collect and assimilate the responses, identify the key findings and make recommendations to the IFRS Foundation Trustees' Due Process Oversight Committee as they develop a methodology for considering the effects of financial reporting standards in the context of the IASB's overall due process. Any work developing the principles in the Discussion Paper should be done in cooperation with the IASB and IFRS Foundation.

Our detailed responses to the Questions for Respondents are included in the Appendix to this letter.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 207 007 0884 or Joel Osnoss in New York at +1 212 492 3910.

Yours sincerely,

Veronica Poole
Global Managing Director
IFRS Technical

Joel Osnoss
Global Managing Director
IFRS Clients and Markets

Deloitte.

Appendix

Responses to the Questions for Respondents

SECTION 2: The process of 'effects analysis'

1) *Do you agree that 'effects analysis' should be defined, for the purposes of accounting standard setting, as 'a systematic process for considering the effects of accounting standards as those standards are developed and implemented' (paragraph 2.2)?*

If you disagree with the proposed definition, or would like it to be amended, please provide an alternative definition, and please explain why you favour that alternative definition.

We agree that, in the context of a comprehensive due process supporting the development of a single set of high-quality financial reporting standards, there should be a systematic methodology for considering the effects of financial reporting standards. This methodology should operate throughout the life cycle of a standard-setting project as those standards are initiated, researched, developed and issued. Effects analysis is also a feature of post-implementation reviews, but with a different focus, as we explain below in the answer to Question 4.

The definition of 'effects analysis' should recognise that the purpose of such an analysis is to permit the standard-setter to understand the effects of financial reporting standards from the point of view of users, preparers, auditors, securities market regulators and prudential supervisors. The definition should also recognise that 'effects' include the effects on particular areas most impacted by a particular proposal (including recognition, measurement, presentation and disclosure of financial statement items). Gathering, analysing and understanding evidence about the effects of financial reporting standards from various points of view on a systematic basis should enable the standard-setter to make informed judgements about how to balance the needs of competing interests and lead to higher-quality financial reporting standards.

2) *Do you agree that effects analysis should be integrated (or further embedded) into the standard setting due process (paragraph 2.7)? If not, why not? Please explain the reasons for your answer.*

In the context of International Financial Reporting Standards, the IFRS Foundation Trustees must ensure that there is a holistic approach to the International Accounting Standards Board's comprehensive due process for developing and implementing IFRSs. The due process is framed by and facilitates achieving the objective of high-quality financial reporting as defined in the IFRS Foundation Constitution and the IASB's *Conceptual Framework for Financial Reporting (2010)*, i.e. focusing on the needs of capital market participants as the primary objective of IFRS financial reporting. Effects analysis is one element of the due process. The range of elements deployed on a particular project may differ from those followed for others, although some elements will be present (in particular, the mandatory stages identified in the IFRS Foundation's Constitution, paragraph 37). Effects analysis exists alongside other elements of due process, such as appropriate consideration of technical alternatives, exposure documents, roundtable discussions, field tests and field visits, conversations with regulators, users and other constituents.

Therefore, we agree with the principle that effects analysis should be an element of a comprehensive system of due process supporting the development of high-quality financial reporting standards throughout the life cycle of a standard-setting project. However, we do not think that the same level of detail is necessary at each stage of a project and think that different procedures might be employed at different stages. This implies also that effects analysis might be prominent at some stages and less so at others, and prominent at different stages in different projects. What is important is that, for any standard-setting project, overall there has been a systematic and thorough assessment of effects throughout the initiation, research, development and issuance phases of a project. We see the post-implementation review as an opportunity for an independent re-assessment of the effects analysis, as we explain below in the answer to Question 4.

3) Do you agree that the standard setter should be responsible for performing effects analysis, and that the performance of effects analysis by any other body is not a sufficient or satisfactory substitute (paragraph 2.11)? If not, why not? Please explain the reasons for your answer.

The Discussion Paper uses 'the IASB', 'the standard-setter' and 'a standard-setter' almost interchangeably. This is unhelpful and creates uncertainty as to which organisation bears responsibility. In this letter, unless the context explicitly indicates otherwise, 'the standard-setter' refers to the IASB as the standard-setter primarily responsible to the G20 Leaders for delivering a single set of high-quality global financial reporting standards and the standard-setter recognised in the European IAS Regulation (2002/1606/EC).

The IASB and the IFRS Foundation with its Due Process Oversight Committee should have the ultimate responsibility for ensuring that, for any standard-setting project, overall there has been a systematic and thorough assessment of effects throughout the initiation, research, development and issuance phases of a project. The post-implementation review provides an opportunity for an independent re-assessment of the effects analysis performed in the earlier phases of the project. However, we do not think that the IASB currently has the resources or the local knowledge to enable it to conduct effects analyses in all, or even only the most significant IFRS jurisdictions. As we noted in our comments of 22 July 2011 to the IFRS Foundation Trustees on the Strategy Review Report, in discharging this responsibility, the IASB should work actively with agencies with an interest in financial reporting, including national standard-setters, securities regulators, audit oversight bodies, and (as appropriate) other bodies, such as professional institutes of accountants and academics.

The IFRS Foundation or the IASB (as appropriate) would be responsible for working with the jurisdictions/ regions to determine an agreed approach to implementing a common methodology for each project and would be responsible for compiling and summarising the results.

The methodology should be scalable, so that a jurisdiction or region with a highly developed financial reporting infrastructure and the necessary resources, such as the EU, Japan or the United States would undertake a more comprehensive analysis, across industry sectors and size of reporting entity, while smaller and less highly-developed jurisdictions could undertake the analysis at less detailed level, focusing on areas most impacted by the proposals, when appropriate. Similarly, the extent of effects analysis must be appropriate to the project in question. (For example, a proposed IFRS Interpretation addressing a limited-scope issue would probably not need the same extent of effects analysis as a project on income tax accounting.) In other words, the effects analysis must be proportional.

4) *Do you agree that effects should be considered throughout the life-cycle of a project to introduce a new accounting standard or amendment, but that publication of a document setting out the key elements of the effects analysis should be specifically required, as a minimum, at the following points in time in that life-cycle (paragraph 2.15)?:*

A. When an agenda proposal on the project is considered by the standard setter;

B. When a discussion paper is issued for public consultation (this effects analysis is an update to 'A', to reflect the latest information available);

C. When an exposure draft is issued for public consultation (this effects analysis is an update to 'B', to reflect the latest information available);

D. When a final standard or amendment is issued (this effects analysis is an update to 'C', to reflect the latest information available); and

E. For new accounting standards and major amendments, a 'post-implementation review' is required, which is an analysis of 'actual effects' that should be performed and published when the pronouncement has been applied for at least 2 years, together with the publication of an associated document setting out the key elements of the review; a post-implementation review is not required for minor amendments.

If you do not agree, why is this? Please explain the reasons for your answer.

Effects analysis up to the issuance of an IFRS

As we noted in our response to Question 2, there must be a holistic approach to due process (of which effects analysis is an element), such that there has been a systematic and thorough assessment of effects over the life cycle of a standard-setting project. In their Strategy Review Report (April 2011), the IFRS Foundation Trustees suggested that the IASB should work with relevant parties to develop an agreed methodology for effects analyses. In our comment letter of 22 July 2011 to the IFRS Foundation Trustees on this Report, we supported this suggestion. However, as stated above, the detailed procedures and analysis that are done at each stage will differ.

We support a degree of flexibility with respect to the extent of effects analyses. We agree that, for most projects and in particular new financial reporting standards and major amendments to existing IFRSs, effects analysis would be a feature of the comprehensive due process over the life cycle of a project. However, for limited-scope projects or in 'emergency' situations, the IASB should have the flexibility to limit effects analysis, subject to agreeing an appropriate level of effects analysis (however curtailed) with the IFRS Foundation Trustees.

At the agenda-setting stage, the standard-setter would be expected to demonstrate why a topic has been suggested for the technical agenda and the area of concern that the project is expected to address. At this stage, the 'effects' are likely to be high-level and largely qualitative.

The IASB has stated that a Discussion or Issues Paper would be the normative first due process document of any major standard-setting project. If that stage is to be truly an exploration of the possible candidates for development into a future financial reporting standard, the extent to which 'effects' can be assessed for each of those candidates, without prejudging the outcome, would likely be limited to an assessment of the likely effects of alternative approaches being considered by the IASB. Consistently with our response to Question 3, national and regional standard-setters and national authorities could be engaged to assist the IASB to understand the effects and merits of particular proposals.

As a proposal matures in the standard-setting cycle, and the likely financial reporting outcome is identified in sufficient detail to enable an effects study to be performed, the nature and rigor of those effects studies would change to reflect the model proposed.

Post-implementation review

One of the stages in the IASB's due process is post-implementation reviews. We think that post-implementation reviews provide an opportunity for an independent assessment of the effects analyses performed by the IASB throughout the standard-setting process up to the issuance of an IFRS.

In our comments of 22 July 2011 to the IFRS Foundation Trustees, we suggested that responsibility for performing post-implementation reviews could be placed in the hands of a separate committee of the IFRS Foundation Trustees (similar to the Due Process Oversight Committee). Being composed of IFRS Foundation Trustees (with staff independent of the IASB), this committee would be independent of the IASB and would report directly to the IFRS Foundation.

In performing a post-implementation review, the committee would have the ability to use hindsight and actual data to assess whether the effects analyses have been proven correct or (if not) how the methodology could be improved to provide better information in future.

Were this approach to post-implementation reviews be adopted, the IFRS Foundation Trustees would have ultimate responsibility for the development of an agreed methodology for the effects analysis at this stage and for establishing expectations of what evidence the IFRS Foundation Trustees would need to enable them to make consistent assessments across jurisdictions.

5) *Do you agree that effects analysis should be undertaken for all new accounting standards or amendments, but that the depth of the analysis work should be proportionate to the scale of the effects (in terms of their 'likelihood' of occurring and the magnitude of the 'consequences' if they do occur), the sensitivity of the proposals and the time available (paragraph 2.19)? If not, why not? Please explain the reasons for your answer.*

As indicated in our response to Question 2, a holistic approach needs to be adopted such that for any standard-setting project, overall there has been a systematic and thorough assessment of effects over the life cycle of a standard-setting project and that this due process does not result in layers of bureaucratic process and box-checking.

SECTION 3: The concept of 'effects'

6) *Do you agree that 'effects' should be defined, for the purposes of accounting standard setting, as 'consequences that flow, or are likely to flow, from an accounting standard, referenced against the objective of serving the public interest by contributing positively to delivering improved financial reporting' (paragraph 3.2)?*

If you disagree with the proposed definition, or would like it to be amended, please provide an alternative definition and please explain why you favour that alternative definition.

7) *Do you agree that the term 'effects', rather than the term 'costs and benefits', should be used to refer to the consequences of accounting standards, in order to distinguish effects analysis from a CBA, on the grounds that it would not be appropriate to require a CBA to be applied to standard setting (paragraph 3.7)? If not, why not? Please explain the reasons for your answer.*

Effects analysis is an element of a comprehensive due process supporting the development of high-quality financial reporting standards and should be defined as such an element. Effects as part of the due process supporting the development of high-quality financial reporting standards must be assessed against the overall objective of financial reporting as defined in the IFRS Foundation's Constitution and the IASB's *Conceptual Framework for Financial Reporting (2010)*. .

Effects analysis should be defined broadly and include qualitative as well as quantitative matters and should not focus on 'costs and benefits' for the reasons elaborated in the Discussion Paper. We agree that the concept of effects analysis should be rooted in an investor-focused definition of 'public interest'. In our comments to the IFRS Foundation Trustees of 22 July 2011, we recommended that the IFRS Trustees "identify the primary audience of IFRS general purpose financial reports as the 'public interest' to which the IFRS Foundation's efforts are directed primarily. Our view continues to be that the focus on the needs of capital market participants is the primary objective of IFRS financial reporting and that investor-focused financial reports provide timely and relevant information to the financial markets and enable the market to identify issues of concern appropriately."

8) *Do you agree that the scope of the 'effects' to be considered, for the purposes of performing effects analysis, should include all effects, both micro-economic effects' and 'macro-economic effects' (paragraph 3.12)?*

If you disagree, please provide an alternative way of specifying what the scope of the 'effects' to be considered should be, and please explain why you favour that alternative.

The scope of the 'effects' to be considered must be defined by reference to the overall objective to be achieved. Effects analysis is an element of a comprehensive due process supporting the development of high-quality financial reporting standards. In that context, we do not agree that effects analysis should extend to 'macro-economic effects', insofar as that phrase is understood to mean policies related to interest rates, government receipts and expenditures and the management of exchange rates, none of which falls within the IASB's competence as a financial reporting standard-setter.

The IASB should not be indifferent to the wider effects of IFRSs and should look beyond the level of individual entities' financial reporting to understand the wider economic effects of IFRSs. This understanding is particularly important when the IASB must balance issues when there is disagreement between jurisdictions about the principles in a proposed IFRS. The unbiased input on effects from national authorities would be critical to enable the IASB to understand local issues and make an informed decision is such circumstances.

9) *Do you agree that a standard setter can only be expected to respond to an effect which is outside of its remit (or for which an accounting standard is not the most effective means of addressing the particular effect) by communicating with the relevant regulator or government body to notify them of the relevant issue and to obtain confirmation from them that they will respond appropriately to it (paragraph 3.17)? If not, why not? Please explain the reasons for your answer.*

Again, effects analysis must be placed in the context of the overall objective to be achieved. Effects analysis is an element of a comprehensive due process supporting the development of high-quality financial reporting standards. We do not think it reasonable for the IASB to be responsible for ensuring that a sovereign jurisdiction 'will respond appropriately' to such issues. Their responsibility is to understand the effect identified by the analysis and to factor that into their subsequent due process.

If an effect outside the remit of the standard-setter or unsuited to remedy through a financial reporting standard (e.g. a likely effect on regulatory capital) is identified as a result of the effects analysis, the IASB has a shared responsibility (with other constituents) to bring this to the attention of the appropriate national or regional authorities. National and regional standard-setters, market regulators and supervisors, etc should provide inputs to the effect analysis and highlight relevant effects to the standard-setter. It is also appropriate for the IASB/ IFRS Foundation Trustees to be aware of what regulatory or other action might be required as a result of their proposals. However, the focus of the standard-setting efforts must be the delivery of a high-quality financial reporting standard that serves the needs of investors and other capital market participants.

10) *Do you agree that 'effects' should be defined by reference to an objective, and that the objective should be that of 'serving the public interest by contributing positively to delivering improved financial reporting', where 'serving the public interest' means 'taking into account the interests of investors, other participants in the world's capital markets and other users of financial information' (paragraph 3.19)?*

If you disagree because you consider that 'effects' should not be defined by reference to an objective, please explain the reasons for your answer. If you disagree because you consider that 'effects' should be defined by reference to an objective other than that specified above, please provide an alternative objective and please explain why you favour that alternative objective.

Consistently with our views expressed above, 'effects' must be defined by reference to the overall objective to be achieved. Effects analysis is an element of a comprehensive due process supporting the development of high-quality financial reporting standards. In this context, we agree that effects should be defined in such a way as to ensure the primacy of investors in the assessment of effects.

11) *Do you agree with the following clarifications of the term 'effects'?*

a) *Effects can be 'positive', 'negative' or 'neutral', as determined by whether they support, frustrate or have no impact on the achievement of the objective of serving the public interest by contributing positively to delivering improved financial reporting (paragraph 3.23);*

b) *Effects analysis will usually involve assessing the 'marginal effects' of an accounting standard or amendment, relative to the status quo that existed before its introduction, so the term 'effects' should, in general, be interpreted to refer to 'marginal effects' (paragraph 3.24);*

c) *The term 'effects' can be used to refer to both 'one-off effects' and 'ongoing effects' (paragraph 3.26); and*

d) *The term 'effects' can be used to refer to both 'anticipated effects' and 'actual effects', depending on what stage the effects analysis is at – before, during or after implementation of the new accounting standard or amendment (paragraph 3.28).*

If you do not agree with any of the above clarifications of the term 'effects', which one(s) do you disagree with and why? Please explain the reasons for your answer.

While we do not disagree with the sentiment of these clarifications, we believe that this is an area in which the Discussion Paper becomes extremely detailed and suggests a degree of precision that, in our view, cannot exist. Effects, in our view, are both qualitative and quantitative. We agree that there should be consistency in methodology, but we would not seek to define it or how that definition is applied. Instead, effects should be placed in the context of a comprehensive due process supporting the development of high-quality financial reporting standards.

12) *Do you agree with the following further considerations concerning effects:*

   a) *Effects analysis should involve considering effects in terms of both their 'incidence' (who is affected) and their 'nature' (how they are affected), and that the standard setter should be transparent about whether and why they consider that the effects on one group should receive greater weight, less weight or equal weight to the effects on any other group (paragraph 3.30); and*

   b) *Effects analysis should involve prioritising effects, possibly by 'ranking' them in terms of their 'likelihood' of occurring and the magnitude of the 'consequences' if they do occur (paragraph 3.32).*

   If you do not agree with any of the above further considerations concerning effects, which one(s) do you disagree with and why? Please explain the reasons for your answer.

Transparency is a critical attribute in effective due process in the standard-setting process.

We agree that effects analyses should consider the nature and incidence of effects and that there should be transparency about whether and why the effects on one group should receive a different weight relative to the effects on another.

While we support an assessment of priorities of identified effects, and that such assessment should be done on a consistent basis, we would not seek to identify a methodology as we believe that flexibility is required in order to achieve a holistic approach focused on the overall objective of the due process. Effects analysis is part of this process. While the example in paragraph 3.32 is an approach used in one jurisdiction, there will be other candidates that might equally be useful.

SECTION 4: The key principles underpinning effects analysis

13) *Do you agree that there should be a set of key principles underpinning effects analysis (paragraph 4.2)? If not, why not? Please explain the reasons for your answer.*

We believe that the most appropriate way to underpin effects analysis is to establish fundamental principles that are consistent with the overall objective of a comprehensive due process supporting the development of high-quality financial reporting standards. Consistency of methodology and application are important, but the principles should guide the methodology and practices adopted and the level of detail required at different stages of a project and for different projects.

As with any such principles, they should be re-assessed (or benchmarked) from time to time to ensure that they still represent best practice.

14) *Do you agree that the set of key principles underpinning effects analysis should be as follows (paragraph 4.2)?*

Principle 1: Explain intended outcomes (refer to paragraph 4.2);

Principle 2: Encourage input on anticipated effects (refer to paragraph 4.2);

Principle 3: Gather evidence (refer to paragraph 4.2); and

Principle 4: Consider effects throughout the due process (refer to paragraph 4.2).

If you disagree with the proposed set of key principles, or would like the principles to be amended, please provide an alternative set of key principles and please explain why you favour that alternative set.

We think the principles are appropriate.

SECTION 5: The practicalities of performing effects analysis

15) *Do you agree that the process that a standard setter should apply for validating the intended outcomes of a proposed accounting standard or amendment should include steps 'a' to 'd' of paragraph 5.2?*

If you disagree with the proposed steps, or would like the steps to be amended, please provide alternative steps and please explain why you favour those alternative steps.

16) *Do you agree that the process that a standard setter should apply for identifying and assessing the effects of a proposed accounting standard or amendment should include steps 'a' to 'f' of paragraph 5.3?*

If you disagree with the proposed steps, or would like the steps to be amended, please provide alternative steps and please explain why you favour those alternative steps.

17) *Do you agree that the process that a standard setter should apply for identifying options for the proposed accounting standard or amendment (options for achieving the intended outcomes of the proposed accounting standard or amendment), and for choosing the preferred option, should include steps 'a' to 'f' of paragraph 5.4?*

If you disagree with the proposed steps, or would like the steps to be amended, please provide alternative steps and please explain why you favour those alternative steps.

In our response to Question 3 above, we stated a holistic approach to the IASB's due process for developing and implementing IFRSs was paramount. The due process is framed by and facilitates achieving the objective of financial reporting as defined in the IFRS Foundation Constitution and the IASB's *Conceptual Framework for Financial Reporting (2010)*.

As we stated above, effects analysis is an element of the due process, but the elements deployed on a particular project may differ from those followed for others. Effects analysis exist alongside other elements of due process, such as appropriate consideration of technical alternatives, roundtable discussions, field tests and field visits, conversations with regulators, users and other constituents. As such, any methodology for effects analysis should be scalable. The processes described in this section of the Discussion Paper seem to us to be over-engineered or seek to impose a particular solution. For example, we agree that some or all the processes described in this section of the Discussion Paper might be appropriate for a major project (e.g., Revenue Recognition) in a sophisticated financial reporting regime, such as the EU. However, it is less obvious to us how they might be applied to a project for which the effects are expected to be less (e.g. Offsetting) in a jurisdiction in which there is no established capital market. There is no sense of proportionality here, or of how the processes would be applied to different stages of standard-setting project.

18) *Do you agree that the IASB should, to some degree, delegate to national standard setters and similar institutions some of the activities involved in gathering evidence of the effects of accounting standards, particularly consultation with constituents, and that these bodies should play a more active part in the due process to ensure that IFRSs contribute positively to delivering improved financial reporting (paragraph 5.5)?*

In our responses to Questions 3 and 4 above, we suggested that, while it should retain responsibility for agreeing a methodology for effects analysis, the IASB (or the IFRS Foundation Trustees, as appropriate) should delegate certain activities to national or regional agencies with an interest in financial reporting. Such authorities might be national or regional standard-setters, but might also be public authorities, such as national or regional securities market regulators. The IASB (or the IFRS Foundation Trustees, as appropriate) would work with contacts in the jurisdiction or region to identify the appropriate authority.

SECTION 6: Next steps

19) *Do you agree that the next steps in developing and, subject to the results of public consultation, implementing the proposals put forward in this paper should include steps 'a' and 'b' of paragraph 6.2?*

If you disagree with the proposed next steps, or would like there to be additional next steps, please provide alternative and/ or additional steps and please explain why you consider that those alternative and/ or additional next steps are appropriate.

We think that the next steps of this project should be for EFRAG to collect and assimilate the responses, identify the key findings and make recommendations to the IFRS Foundation Trustees' Due Process Oversight Committee as they develop a methodology for considering the effects of financial reporting standards in the context of the IASB's overall due process. Any work developing the principles in the Discussion Paper should be done in cooperation with the IASB and IFRS Foundation.