

# Rådet **för** finansiell rapportering

The Swedish Financial Reporting Board

RFR-rs 2018:01

IFRS Foundation  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Dear Board Members,

## **Re: Exposure Draft ED/2017/5 Accounting Policies and Accounting Estimates – Proposed amendments to IAS 8**

The Swedish Financial Reporting Board is responding to your invitation to comment on the Exposure Draft ED/2017/5 Accounting Policies and Accounting Estimates - Proposed amendments to IAS 8.

We support the Boards overall aim to clarify the definitions in IAS 8 but oppose the inclusion of the suggested new text presented in p. 32B. The reason for this is that we don't believe the conclusion presented in the paragraph follows naturally from the new clarified definitions in IAS 8.

If it is important for the Board to clarify the treatment of inventory accounting in this way, we believe that this should be done in IAS 2.

Apart from this objection, we support the Board's initiative to clarify how the accounting policies and accounting estimates relates to each other and the change of definition of accounting policies by removing the terms "convention" and "rules" and amending "bases" to measurement bases. We think that by adding a definition of accounting estimates and by removing the definition of a change in accounting estimates the standard will be easier to apply for preparers and that will lead to less diversity in practice.

We agree with the proposed amendment to clarify that when an item in the financial statements cannot be measured with precision, selecting an estimation technique or valuation technique constitutes an accounting estimate to use in applying an accounting policy for that item.

We think that several new examples are needed in the "Guidance on implementing". The examples should be clear and provide guidance that supports the clarifications presented in the amendments. Further, in the new examples the reason for the conclusion should be clear and follow from an application of the revised definitions of an accounting policy and an accounting estimate.

Finally, we believe that changes to a standard should not be done on a piecemeal basis. This creates implementation costs for preparers and also the different issues could be interlinked and should thus be treated together. We recommend that the proposed changes are delayed and then grouped with the second forthcoming

# Rådet för finansiell rapportering

amendments to IAS 8 (Accounting policy changes). This will prevent two amendments to IAS 8 in a very short period of time.

If you have any questions concerning our comment please address our Executive member Mikael Scheja by e-mail to: [mikael.scheja@radetforfinansiellrapportering.se](mailto:mikael.scheja@radetforfinansiellrapportering.se).

Stockholm, 11 January 2018

Yours sincerely,



Anders Ullberg  
Chairman

Draft