

27/07/2018

International Accounting Standards Board

commentletters@ifrs.org

Re: Accounting Policy Changes (Proposed amendments to IAS 8).

Dear Sir/Madam,

The Swedish Bankers' Association appreciates the Board's intent to facilitate preparers' implementation of voluntary policy changes by the amendment to IAS 8. However, we do not believe the amendment should be implemented.

The Association does not support the proposed amendment as it raises questions about the status of agenda decisions. The proposal seems to be part of a trend of an increasing development of a large amount of non-mandatory guidance in a variety of ways that do not follow the same due process as IFRS standards. The proposal would give agenda decisions the same status as the issued standards and interpretations. This seems to be the Boards intention since it is stated in the BC2 that an entity is "*expected to change, an accounting policy to reflect*" "*explanatory materials*". The Swedish Bankers Association is of the firm belief that if this is to be the case, agenda decisions should be part of the same formal due process as is applicable for new or amended IFRSs. Today's 60-day comment period is not enough.

If the Board would go through with the proposed amendment, the Association does not support the proposed amendments on how to account for a voluntary change in an accounting policy for earlier periods when it is based on an agenda rejection. It is our firm belief that all accounting policy changes should be accounted for in the same way. The basis for the proposal is unnecessary since a cost benefit analysis is already implicit in the basic materiality principle that already applies. If a preparer estimates that a policy change is not material it is either not applied or the preparer determines that the policy can be applied prospectively. The concept of materiality should already cover the Boards intention to facilitate voluntary policy changes based on rejection notices.

The answers given to the specific questions are based on that the Board goes through with the proposed amendment.

QUESTION 1 - New threshold for voluntary changes resulting from an agenda decision

We disagree with the proposal that the amendments to IAS 8 would apply only to voluntary changes in the accounting policy resulting from agenda decisions. If the requirements in IAS 8 could dissuade an entity from adopting an accounting policy that would improve the usefulness of information provided to users of its financial statements, we would suggest that this change would be applicable for all voluntary changes in accounting policies. We believe that this would be a better way to promote consistency in financial reporting, rather than introducing a new category of voluntary changes. We are concerned that narrowing the application of the proposed threshold only to voluntary changes in accounting policy that result from an agenda decision might create challenges in distinguishing between these voluntary changes and other voluntary changes in accounting policy. We are also concerned that the change could be viewed as giving authoritative status to an agenda decision.

QUESTION 2 – Timing of applying changes in accounting policy that results from an agenda decision

We agree with the IASB's decision not to prescribe a general application date for all accounting changes resulting from agenda decisions. Determining what an appropriate and general 'sufficient time' to implement a change is requires judgement and depends on the nature of the change. It can also vary between entities. Any change in policy will be disclosed in the financial statements and thus it should be clear to the users when the entity makes the change in accounting policies.

Yours sincerely,

SWEDISH BANKERS' ASSOCIATION

Åsa Arffman

Jonny Sylvén