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Dear Mei

**RESPONSE OF THE ACCOUNTING COMMITTEE OF CHARTERED  
ACCOUNTANTS IRELAND**

**Draft amendments to FRS 101 *Reduced Disclosure Framework* (2014/15 Cycle)**

The Accounting Committee ('AC') of Chartered Accountants Ireland welcomes the opportunity to comment on the proposals contained in the above exposure draft.

The responses to the individual questions posed in the ED are included in the appendices to this letter.

Should you wish to discuss any of the views expressed, please feel free to contact me.

Yours sincerely



Mark Kenny  
Secretary to the Accounting Committee

## APPENDIX

### ***Question 1 – IAS 24 Related Party Disclosures***

**See the proposed amendment to paragraph 8(j) of FRS 101 and paragraphs 13 to 15 of the Accounting Council’s Advice.**

**Do you agree with the proposed amendment to permit an exemption against the requirement of paragraph 18A of IAS 24 Related Party Disclosures? If not, why not?**

There were divided views among AC members about whether the FRS 101 disclosure exemption should extend to paragraph 18A.

The majority view was that, as the exemption from paragraph 17 is specifically based on the fact that there is an equivalent legal disclosure requirement, as per Council advice paragraph 14, there should not be an exemption from paragraph 18A, in the absence of a legal requirement for this disclosure. Most considered that where an entity was providing this level of management service to an entity they were a significant related party and the owners had a right to know how much the service was costing.

A minority agreed with the proposal, on the basis that not having an exemption from paragraph 18A would be inconsistent with having an exemption from paragraph 17.

The debate among AC members reconsidered the original basis for the exemption from paragraph 17, and most members would question the appropriateness of that exemption, given that, for entities subject to company law, disclosures are required in any case, and for entities not subject to company law, it is questionable whether the basis for the exemption from paragraph 17 is valid.

### ***Question 2 – IFRS 1 First-time Adoption of International Financial Reporting Standards***

**See the proposed insertion of paragraph 7A into FRS 101 and paragraphs 22 to 23 of the Accounting Council’s Advice. Do you agree with the proposed amendment to permit an exemption from the requirement of paragraphs 6 and 21 of IFRS 1 First-time Adoption of International Financial Reporting Standards to present an opening statement of financial position on transition? If not, why not?**

AC agrees with the proposed amendment for the reasons stated in The Accounting Council’s Advice on FRED 57 paragraphs 22 and 23.

AC also suggests paragraph 11(b) of FRS 100 should be amended so as to remove reference to paragraph 6, as it too deals with transitional arrangements. This will

ensure that there is no inconsistency between FRS 100 and FRS 101, as regards this matter.

### **Question 3 – IFRS 15 Revenue**

**Do you agree that at this early stage, no exemption should be permitted in FRS 101 from the disclosure requirements of IFRS 15 Revenue from Contracts with Customers given that its effective date is not until 1 January 2017, and that for FRS 101 IFRS 15 should be revisited once preparers, users and auditors have had more experience of the required disclosures and are in a better position to assess whether exemptions against all or some of the disclosure requirements of IFRS 15 would be appropriate? If not, why not?**

AC agrees with the Accounting Council's Advice to not incorporate any exemptions in relation to IFRS 15 at this time, but rather to revisit this at a later date once preparers, users and auditors have had experience in applying IFRS 15.

### **Question 4 – IFRS 9 Financial Instruments**

**IFRS 9 Financial Instruments amends the requirements of IFRS 7 Financial Instruments: Disclosures. Do you agree that no amendments should be made to the existing exemptions permitted in FRS 101 that allow non-financial institutions exemptions against the disclosure requirements of IFRS 7 (and IFRS 13 Fair Value Measurement)? If not, why not?**

AC agrees with the Accounting Council's Advice that the existing position as regards exemption to financial and non-financial institutions should remain if and when IFRS 9 is endorsed by the EU.

### **Question 5 – Other comments**

**Do you have any other comments in relation the proposed amendments?**

AC has no other comments.

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