



QC/CON/FRS102-2

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Jenny Carter  
Financial Reporting Council  
8th Floor  
125 London Wall  
London  
EC2Y 5AS  
Email: [ukfrs@frc.org.uk](mailto:ukfrs@frc.org.uk)

Dear Sirs,

Thank you for allowing us to respond to your consultation on proposed changes to FRS 102. Our comments to the consultation are only in relation to question 3.

We believe that if the future loss model is introduced then it should be limited to only applying to banks and building societies and not Credit Unions.

We have extensive experience of working with Credit Unions. They have been impacted more than most organisations with the introduction of FRS 102. We therefore feel that introducing the future loss model to the sector so shortly after the introduction of FRS 102 will place further undue burden and complexity on the sector. Credit Unions are already subject to provisioning rules from the Prudential Regulation Authority (PRA) and therefore the benefit of further rules will be limited.

Yours faithfully,

**ALEXANDER SLOAN**