



State Street Global Services

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

T +44 (0)203 395 2000

[www.statestreet.com](http://www.statestreet.com)

January 27, 2016

Jenny Carter  
Financial Reporting Council  
8<sup>th</sup> Floor  
125 London Wall  
London  
EC2Y 5AS

Sent by email to: [ukfrs@frc.org.uk](mailto:ukfrs@frc.org.uk)

**Re: FRED 62: Draft amendments to FRS 102**

Dear Ms Carter

State Street welcomes the opportunity to respond to the consultation on the proposed amendments to the fair value hierarchy reporting disclosures required by FRS 102, and supports the FRC's objective of accounting standards that enables users of accounts to receive high quality and understandable financial reporting proportionate to the size and complexity of the entity and the users information needs.

In our view the proposed amendment to FRS 102 will result in increased consistency with EU-adopted IFRS and will simplify the preparation of the disclosures about financial instruments.

Please see below detailed responses to the questions raised in FRED 62.

**Question 1: Do you agree with the amendments proposed to FRS 102? If not, why not?**

We agree with the proposed amendments.

**Question 2: Do you agree with the proposed effective date for these amendments? If not, what alternative would you propose?**

We agree with the proposed effective date of 1 January 2017 with an option to early adopt.

Due consideration should be taken so as not to delay publication of the revised standard past the currently expected date of March 2016. This date will still be too late for some entities to early adopt, where they are bound by prospectuses to prepare accounts within 2 months, but an early decision will increase the number of entities with 31 December year ends that can early adopt,

and prevent having to restate the prior year comparison figures in the subsequent reporting disclosures which would negate the immediate benefits in the short term.

**Question 3: In relation to the Consultation Stage Impact Assessment do you have any comments on the costs and benefits identified? Please provide evidence to support your views of the quantifiable costs or benefits of these proposals.**

We believe that the proposed amendments will lead to cost savings for both accounts preparers and their service providers by reducing the effort and technology costs required to produce the different classifications required by FRS 102 and IFRS13 respectively.

Additional benefits would also be realised where fair value hierarchy disclosures are already being produced for entities under either EU-adopted IFRS or US GAAP and will in turn promote greater consistencies and allow meaningful comparison between cross border products and pension schemes.

If you have any questions in relation to this response please contact Graeme Siddons on +44 (0)203 395 3419

Yours sincerely

State Street Global Services

This document is for marketing and/or informational purposes only, it does not take into account any investor's particular investment objectives, strategies or tax and legal status, nor does it purport to be comprehensive or intended to replace the exercise of a client's own careful independent review regarding any corresponding investment decision or review of our products and services prior to making any decision regarding their utilization. This does not constitute investment, legal, or tax advice and is not a solicitation for products or services or intended to constitute any binding contractual arrangement or commitment by State Street and/or any subsidiary referenced herein to provide securities services. State Street hereby disclaims all liability, whether arising in contract, tort or otherwise, for any losses, liabilities, damages, expenses or costs arising, either direct or consequential, from or in connection with the use of this document and/or the information herein. This document contains certain statements that may be deemed forward-looking statements, which are based on certain assumptions and analyses made in light of experience and perception of historical trends, current conditions, expected future developments and other factors believed appropriate in the circumstances.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without State Street express written consent. Investing involves risk including the risk of loss of principal.