

Jenny Carter
Financial Reporting Council
8th Floor
125 London Wall
London
EC2Y 5AS

By email to: ukfrs@frc.org.uk

29 January 2016

Dear Ms Carter

FRED 62: Draft amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures

Deloitte LLP is pleased to respond to FRED 62: Draft amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures. We have set out our detailed responses to the consultation questions in the Appendix to this letter together with some additional comments on issues not covered by the specific questions.

Overall we support the proposals. Our key comments, which we expand on in the appendix to this letter, are as follows:

- the proposals will reduce costs of complying with FRS 102 for many financial institutions and enable them to present information on a basis consistent with IFRS; and
- it is important in our view that the amendments are issued in final form as early as possible in 2016 and in particular in time for financial institutions with 31 December 2015 year ends to approve their accounts and meet regulatory filing deadlines without having to incur unnecessary costs in complying with the existing FRS 102 requirements for only one year.

We would be happy to discuss our letter and the draft proposals with you. If you have any questions, please contact Robert Carroll (020 7303 2458 or rcarroll@deloitte.co.uk) or Ken Rigelsford (020 7007 0752 or krigelsford@deloitte.co.uk).

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Poole', is centered below the text 'Yours sincerely'. The signature is fluid and cursive.

Veronica Poole
National Head of Accounting and Corporate Reporting
Deloitte LLP

Appendix

Responses to detailed questions

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

Yes, we agree with the proposals. Many entities that will be affected by the proposals already prepare information on the basis of the IFRS 13 or FRS 29 fair value hierarchy so aligning the FRS 102 fair value hierarchy disclosure requirement with that in IFRS will reduce costs of compliance with the standard and provide information on a basis comparable with entities reporting under IFRS.

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

Yes, we agree with the proposed effective date for these amendments. However, please see our additional comments regarding the timing of issue of the amendments in final form.

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 agree with the FRC's comments on the costs and benefits identified. As noted in our additional comments, we believe it is important that the FRC issues the amendments in final form before entities with 31 December 2015 year ends need to approve their accounts in order to meet regulatory filing requirements so as to avoid unnecessary costs of complying with the existing FRS 102 requirements for only one year. This issue is not addressed in the consultation stage impact assessment.

Additional comments

We believe that it is essential that the FRC finalises the amendments proposed in FRED 62 and issues the amendments to the standard in final form as early as practicable in 2016 and, if possible, by the end of March 2016. In particular, we believe that the FRC should make every effort to issue the final amendments in sufficient time for financial institutions with 31 December 2015 year ends to approve and publish their accounts and meet any relevant regulatory deadlines. Failure to do so will lead to these entities incurring unnecessary costs in complying with the existing FRS 102 requirements for only one year.