

From: [Clayton, Isabel](#)
To: [Asbcomment Letters](#)
Subject: Response to FREDs
Date: 26 April 2012 17:31:06

Hi,

Please find my response to the FREDs below.

QUESTION 1

The ASB is setting out the proposals in this revised FRED following a prolonged period of consultation. The ASB considers that the proposals in FREDs 46 to FRED 48 achieve its project objective:

To enable users of accounts to receive high-quality, understandable financial reporting proportionate to the size and complexity of the entity and users' information needs.

Do you agree?

[Yes we agree that the proposals achieve the project objectives](#)

QUESTION 2

The ASB has decided to seek views on whether:

As proposed in FRED 47

A qualifying entity that is a financial institution should not be exempt from any of the disclosure requirements in either IFRS 7 or IFRS 13; or

Alternatively

A qualifying entity that is a financial institution should be exempt in its individual accounts from all of IFRS 7 except for paragraphs 6, 7, 9(b), 16, 27A, 31, 33, 36, 37, 38, 39, 40 and 41 and from paragraphs 92-99 of IFRS 13 (all disclosure requirements except the disclosure objectives).

Which alternative do you prefer and why?

[No comment](#)

QUESTION 3

Do you agree with the proposed scope for the areas cross-referenced to EU adopted IFRS as set out in section 1 of FRED 48? If not, please state what changes you prefer and why.

[No comment](#)

QUESTION 4

Do you agree with the definition of a financial institution? If not, please provide your reasons and suggest how the definition might be improved.

[No comment](#)

QUESTION 5

In relation to the proposals for specialist activities, the ASB would welcome views on:

(a) Whether and, if so, why the proposals for agriculture activities are considered unduly arduous? What alternatives should be proposed?

(b) Whether the proposals for service concession arrangements are sufficient to meet the needs of preparers?

[a\) No comment](#)

[b\) Concerns are noted around the application of the service concession arrangements for the Higher Education sector and we feel that this area could be addressed with further clarity in certain areas as set out below:](#)

- [IFRIC 12 has been set out to deal only with the treatment to be applied by the grantee and not the treatment to be applied by the grantor, however FRED 48 appears](#)

to expand the scope to include also the grantor but provides no further consideration or guidance around this approach. We would expect further clarification around this area.

- Consideration needs to be made for the treatment of Nomination Agreements between universities and private operators of student accommodation. These are in substantially different arrangements to PFIs that were covered by IFRIC 12, therefore are these also to be covered by FRED 48?

QUESTION 6

The ASB is requesting comment on the proposals for the financial statements of retirement benefit plans, including:

- (a) Do you consider that the proposals provide sufficient guidance?
- (b) Do you agree with the proposed disclosures about the liability to pay pension benefits?

[No comment](#)

QUESTION 7

Do you consider that the related party disclosure requirements in section 33 of FRED 48 are sufficient to meet the needs of preparers and users?

[No comment](#)

QUESTION 8

Do you agree with the effective date? If not, what alternative date would you prefer and why?

[Yes provided the SORP is available in time for adoption.](#)

QUESTION 9

Do you support the alternative view, or any individual aspect of it?

[No comment](#)

Kind regards,

Izzy

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