
Goldman Sachs International | Peterborough Court, 133 Fleet Street | London EC4A 2BB
Tel: 44-207-552-2104 | email: charlotte.pissaridou@gs.com

Charlotte Pissaridou
Managing Director



30 April 2012

Accounting Standards Board
5th Floor, Aldwych House
71-91 Aldwych
London
WC2B 4HN
United Kingdom

By email to: asbcommentletters@frc.asb-org.uk
For the attention of Michelle Sansom

Dear Michelle

ASB FREDs 46, 47 and 48: The Future of Financial Reporting in the UK and Republic of Ireland

Goldman Sachs is a global financial group which includes UK subsidiaries reporting in accordance with UK GAAP and we therefore welcome the opportunity to comment on the ASB's proposals on The Future of Financial Reporting in the UK and Republic of Ireland ("the proposal").

We have contributed to the comment letter prepared by AFME (the 'Association for Financial Markets in Europe') and support the comments provided in that letter. We are supportive of the updated proposals and agree with the removal of the concept of public accountability for determining the accounting framework to be applied by individual entities. Specifically, we thank the ASB for responding to comments made by Goldman Sachs and others that disclosure exemptions should be available for all subsidiaries included in groups which prepare publicly available financial statements and that this should not be restricted to entities deemed 'publicly accountable'. We have provided comments to the specific relevant comments to us 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 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 with the project objective. Specifically we agree that financial reporting should be proportionate to users' information needs. Accordingly, we fully support the proposal to allow qualifying entities to apply a reduced disclosure framework on the basis that the information is available in the publicly available consolidated financial statements in which the entity is included

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 with 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 alternatives do you prefer and why?

We believe that the proposed reduced disclosure framework for qualifying entities should be extended to financial institutions to exempt those entities from applying the disclosure requirements of IFRS 7 and IFRS 13. Where the reduced disclosure framework is based on the premise that the relevant disclosures are available in the publicly available consolidated accounts of the group to which the qualifying entity belongs, we do not agree with a distinction for financial institutions. As the disclosure requirements of IFRS 7 and IFRS 13 will be applied at the consolidated level, we do not believe that also requiring these disclosures at the qualifying entity level is in line with the ASB's stated objective of requiring financial reporting that is proportionate to users' information needs.

However, if financial institutions continue to be prohibited from disclosure exemptions as proposed by the ASB, we believe the first of the two alternatives given in Question 2 is clearer to apply and is more easily updated to reflect future changes in IFRS 7 made by the IASB.

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.

We have no comments.

Question 4

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

We note that the definition proposed in the FRED does not include broker-dealer entities. However, we believe that it was likely that the ASB intended to include such entities in the definition of financial institutions and would therefore request clarification as to whether this was the intent and whether these entities are to be included in the definition.

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 its proposals for service concession arrangements are sufficient to meet the needs of preparers and users?

We have no comments.

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?

We have no comments.

Question 7

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

We consider the requirements of section 33 to be sufficient to meet the needs of users.

Question 8

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

We agree with the proposed effective date and acknowledge the ASB's efforts to mitigate the risk of introducing change while underlying IFRSs, particularly as they relate to financial instruments, are also undergoing change in this time period. Accordingly, we agree with a proposal to implement an effective date of 1 January 2015, with a view that IFRS 9 will also have an effective date on or prior to that date. If the implementation date of IFRS 9 is delayed further by the IASB, we would request that the ASB considers a further deferral of the effective date of FREDs 46 to 48.

Question 9

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

We do not have any comments on the alternative view as we consider the points raised in this view to be more relevant to entities reporting under the FRSSE.

We hope that these comments are helpful. If there are any areas that you would like to discuss, then please contact me on 0207 552 2104 or Fiona Thomson on 0207 552 5210.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pissaridou', with a long horizontal flourish extending to the right.

Charlotte Pissaridou