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To whom it may concern,

The Institute of Certified Public Accountants in Ireland welcomes the opportunity to comment on:

“FRED 54 Draft Amendments to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* Basic financial instruments”

Question 1

Do you support the proposal to amend the conditions of paragraph 11.9 and make the requirements less restrictive?

We support this proposal but recommend an addition to the wording on 11.9(a)(i) “a fixed amount; “should be followed by either “and” or “or”

Question 2

In your view, under the amended conditions will debt instruments be classified appropriately, ie will the proposal have the effect that debt instruments that are basic in nature are measured at amortised cost and debt instruments that are non-basic in nature are measured at fair value? If you have reservations, please specify the financial instruments that you believe would not be measured appropriately under the proposed requirements.

In our view these amendments will result in debt instruments being classified appropriately.

Question 3

It is proposed that the Appendix to Section 11 Basic Financial Instruments will contain some illustrative examples. In your view, are the proposed examples helpful? If not, what other examples would you suggest should be included instead?

In our view the proposed examples are helpful.

Question 4

The proposed amendments would be effective from 1 January 2015. Do you have reservations concerning the proposed effective date?

We have no reservations. We believe it is important that these amendments are effective from the agreed commencement date of FRS102.

Question 5

The exposure draft does not contain specific transitional requirements and the requirements of Section 35 Transition to this FRS of FRS 102 will therefore apply. In your view, are any specific transitional provisions in relation to the proposed amendments necessary? If so, please tell us what transitional provisions you would suggest and why?

We do not consider any specific transitional provisions are necessary.

If you have any questions on the above please do not hesitate to contact me.
Yours sincerely,

David Roxburgh
Chairperson, Financial Reporting Sub - Committee