



Irish Funds

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

25 January 2016

Sent electronically to: ukfrs@frc.org.uk

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

Dear Ms Carter,

The Irish Funds Industry Association ("Irish Funds") is the representative body for the international investment fund community in Ireland. Founded in 1991, Irish Funds represents fund managers, administrators, depositaries, transfer agents, professional advisory firms and other specialist firms involved in the international fund services industry in Ireland.

Irish Funds' 100+ members are responsible for in excess of 13,000 funds with a net asset value of €3.6 trillion. The objective of Irish Funds is to support and complement the development of the international funds industry in Ireland, ensuring Ireland continues to be a location of choice for the domiciling and servicing of investment funds. Ireland is the leading global centre for the administration of alternative investment funds, servicing an estimated 40% of global alternative investment fund assets.

The Irish Funds appreciates the opportunity to provide comments to the Financial Reporting Council (the "FRC") on the above referenced financial reporting exposure draft ("FRED").



The Irish Funds supports the Council's efforts to simplify the preparation of disclosures about financial instruments and increase consistency with EU-adopted International Financial Reporting Standards ("IFRS") and believes that the amendment proposed will improve the comparability and meaningfulness of information provided to users of the financial statements.

We also support the FRC commitment to review the inconsistency between paragraph 11.27 and paragraphs 34 created by the proposed amendment under FRED 62 as part of the first triennial review of FRS102.

Attached are our responses to the Council's questions that were included in the FRED. Please do not hesitate to contact the undersigned with any questions.

Yours sincerely,

A handwritten signature in black ink that reads "Patrick J. Lannon".

Chief Executive



Question 1

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

We agree with the proposed amendments to FRS 102.

Question 2

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

The amendment is currently expected to be issued in March 2016; however issuing the amendment in February 2016 would allow a significant number of financial statements signed prior to March and currently converting into FRS102 to avail of the early adoption. This could have a noticeable effect on FRS102 conversion costs as it avoids restatement of the hierarchy numbers (in the current year and in the following year when the prior year fair value hierarchy will have to be restated again).

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 costs and benefits identified in the Consultation Stage Impact Assessment. The amendments will result in a fair value hierarchy that is consistent with IFRS and we believe there will be lower costs incurred by preparers of financial statements as they have a number of systems/processes/IT tools already in place to ensure compliance with the proposed fair value hierarchy. The comparability with IFRS's fair value hierarchy also allows for a more straight forward consolidation process for group financial statements prepared under IFRS which could result in cost savings for the preparers of financial statements.