From:	Pouw, A. (André)
To:	Disclosure
Subject:	Road map for a disclosure framework
Date:	02 November 2012 15:38:30

Dear sir, madam

I wellcome your efforts to cut clutter in disclosures. To avoid clutter in my answer I will not repeat your questions, but instead share some thoughts.

What struck me during the financial crisis is that especially banks with sophisticated disclosures and notes on risk management failed, so what was the use of presenting year after yeat those many pages about structure etc. of risk management and stating that everything is in control? Could not this be limited to an in control statement with really entity specific risk disclosures? For instead with a simple dashboard be presented where the arrow points out the risk of the environment and another one pointing out the risk appetite? are we in the red zone or in the green one? That message now gets lost in pages and pages. But it would need courage of course to be that clear about your policy.

Explaining industry specific risk results for insurance companies year after year in lengthy paragraph's about what insurance is all about, longevity risk, catastrophe risk etc. etc, dictionary type of information as a result of the IFRS demands to disclose the risks, often called boilterplate. To avoid that the IFRS-ses should be more clear about the type of risk information that must be provided; for instance with a clear statement that general availabel industry specific terms or information can be referred to instead of explained. So no longer explain wat longevity risk is; just explain your exposure.

Internet marketing techniques could tell us which information in online annual accounts is look at by users. Suc

IASB might consider to make a clear choice between segment information and consolidated information, with a pyramide structure with high level consolidated information and more detailed segment information.
One might for instance question the usefullness of adding up every single balance sheet line items of complete different segments, such as bank and insurance companies and holding activities. Could not the consolidated notes be limited to total equity en total asset liabilities per segment referring to details in the segment information? P&L similar. Details in the segment. Maybe the impact of significant intercompany transactions and results is a seperate disclosure, or require to disclose intercompany transactions and results in the segment information. The seperate financial statement allready explain the legal position of the holding company including intra group positions. Should of course be further investigated.

Regards,

André Pouw

Personal view

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