

AAT RESPONSE TO THE INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS ON ANNUAL IMPROVEMENTS TO IFRS'S 2012-14 CYCLE

Additional Commentary

The Association of Accounting Technicians (AAT) is pleased to respond to EFRAG's invitation to comment and has completed the questionnaire included in the invitation to comment to which this commentary is attached.

While AAT is supportive of the conclusions reached by EFRAG in its assessment, it wishes to place on record its view that, notwithstanding that all technical criteria are met, the implementation of improvements to IFRS's on an annual basis should only take place if the following overriding criteria are met:-

1. The amendments comprise clarification or guidance only.
2. The amendments are not such as to impose more stringent requirements than the current situation.

or

3. The amendment is absolutely necessary.

It must be recognised that annual amendments can cause confusion and uncertainty among preparers and users of financial statements, as a result of problems in keeping track of precise disclosure requirements at any point of time, not just in relation to the most recent financial statements, but also when considering prior years' financial statements. Consequently, it may be helpful and beneficial to provide more options or to ease requirements through interim amendments on an annual basis, but not to make requirements more demanding, so that preparers of financial statements who may not be aware of the interim amendments are not placed in a position of failing to comply with IFRSs through default, unless it is imperative for the amendment to be implemented rapidly.

In conclusion, AAT is satisfied that the implementation of the amendments arising from the 2012-14 cycle of annual improvements to IFRS will meet the criteria set out above.

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