



Sir David Tweedie  
International Accounting Standards Board  
30 Cannon Street  
London  
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United Kingdom

Dear Sir David Tweedie  
**Exposure Draft of Proposed Improvements to International Accounting Standards**

The Danish Bankers Associations welcome the opportunity to comment on the exposure draft of proposed Improvements to International Accounting Standards.

In our response, we focus on two specific issues, where we do not agree with the changes proposed by the IASB. As for other issues, please refer to the comments sent by EFRAG.

**IAS 1**  
**Paragraphs 108 – 115 Management's judgement in applying accounting policies**

We do not support the requirements as drafted.

We share the Board's view that, where significant, the subjectivity and impact of management judgment and estimates should be highlighted. We do, however, believe that such issues are better dealt with by applying individual standards identified by the Board as requiring significant measurements based on management judgements and assumptions about the future.

**IAS 27**  
**Paragraph 13.**

As a bankers organization we do not agree to the change of the text, whereby "in the near future" is changed to "within 12 months". In the ordinary business, a bank in protection of its claims in rare cases has a benefit of taking over, in a transition period, shares in customer companies as a part of the lending recovery process. Experience has shown, that such a transition period can be longer than 12 months. It seems to be unwise if banks in such a situation are restricted from optimizing the recovery process, because of an requirement to consolidate an entity (which has a totally different business) and where the dispositions of the bank is only seen as a part of the lending process. Such a customer entity is not seen as an ordinary subsidiary of the banking activity, neither by the supervisory authority, who

16. September 2002

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only permits such a holding for the specific purpose of lending recovery (or a process of changing ownership) and only for a limited period.

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("A subsidiary shall be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal within twelve months from acquisition.")

Yours sincerely

Susanne Schøtt Kristensen  
Head of Department