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## IFRIC Draft Due Process Handbook

The Swedish Enterprise Accounting Group (SEAG) is a forum for Chief Accountants from the largest Swedish listed companies. SEAG is administered by the Confederation of Swedish Enterprise, to which most participating companies of SEAG are joined.

Representing preparers' point of view, SEAG welcomes the opportunity to comment on the abovementioned draft.

We welcome the initiative of the IASCF to update and strengthen the due process of IFRIC. It is important that IFRIC has a well defined and transparent process for taking on its responsibility as a unique, authoritative, interpretation body of the IASB standards. However, there is also to be reminded that the ongoing process of achieving convergence between IFRS and US GAAP implicates an increased need for IASCF/IASB to be attentive as to how the bulk of US GAAP interpretation literature comes into play to the IFRS community.

We limit our comments to our concerns presented below. They regard the absence of clearly defined rules in the handbook about the governance and composition of the Agenda Committee and about the rejection decisions of the IFRIC, and their wording. Our comments therefore relate primarily to question 1 and 3 in your invitation to comment.

Paragraphs 22 to 31 of the draft address the functioning of the Agenda Committee. There are, however, no clearly defined rules in the draft as to the size limits, the recruitment and the composition of the committee. There is also lacking a clear indication of what length and renewal terms are appropriate for its members. This is clearly a vital transparency matter which has to be discussed with stakeholders before the final version of the handbook is issued. In this context we regard it as very important that the composition is arranged in such a way that preparers are adequately represented.

What the IFRIC process is lacking today is a comprehensive and timely update of public information on the agenda process. For a preparers' community, it is important to have a better overview of what issues are fed into the agenda committee

and IFRIC and what the actual stage of each issue is in relation to the IFRIC's process. Enhancing the quality of process structure and its parts lays ground for a more efficient communication on the status of the issues. We think it is urgent that this goal is achieved.

As to the rejection decisions, the present way of wording those provides for different interpretative or guiding clues, different to different readers. But the interpretative impact by an IFRIC rejection announcement should be held back as much as possible, which would call for a short and standardised wording. Based on our present experience, the absence of stringent rules in this area causes concern. The suggested handling of rejection decisions (paragraph 27) obviously does not address the core of the matter. In our view, it is very urgent for the transparency that IFRIC handbook should cover also this part, i. e. the contents of the rejection decisions, in its final issue.

We are pleased to be at your service in case further clarification to our comments will be needed.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE

Carl-Gustaf Burén  
Secretary of the Swedish Enterprise Accounting Group