

International Accounting Standards Board  
30 Cannon Street  
LONDON EC4M 6XH  
UNITED KINGDOM

Our ref. : RdF/AdK  
Direct dial : Tel.: (+31) 20301 0391 / Fax: (+31)20 301 0279  
Date : 21 January 2002  
Re : Draft Preface to IFRS

Dear Sir,

The Netherlands Council for Annual Reporting (CAR) is pleased to respond to your request for comments on the Draft "Preface to IFRS".

***Question 1: Is the Board's proposed scope clearly defined and appropriate?***

Yes.

***Question 2: Do you agree with these proposals (i.e. regarding the style types)? Why or why not?***

The CAR agrees that bold italic type and plain type paragraphs should have equal authority. However, it should be noted that the heading of each standard issued to date states: *"The standards, which have been set in bold italic type, should be read in the context of the background material and implementation guidance in this Standard..."* This can be seen as an indication that the contents of paragraphs in bold italic style are *in fact* considered to be different from the contents of paragraphs in plain style.

Further, the CAR disagrees with the Board's intention to discontinue the use of different type styles. In the opinion of the CAR, the use of different type styles is very useful to differentiate between the main principles on the one hand and further guidance and examples on the other hand.

***Question 3: Are the Board's proposals (i.e. regarding the due process) appropriate? Are any proposed steps unnecessary? Are there additional steps that should be incorporated?***

The opinion of the CAR is that the Board's proposals are appropriate.

***Question 4: Are there any other matters that should be addressed in the Preface to IFRS?***

The CAR has noted that the Board is more and more communicating tentative conclusions before an Exposure Draft has been released and the due process has been finished, for example on Business Combinations and Goodwill. Tentative conclusions from the Board may be interpreted as having some authority, which may influence the remaining due process. Further, early communicated tentative conclusions from the Board may lead to deviations from current Standards, as





## Raad voor de Jaarverslaggeving

constituents may argue that it is just a matter of time before current Standards *will* be revised in accordance with those tentative conclusions.

The CAR suggests to include some guidance about tentative conclusions in the Preface to IFRS. For instance, that communication about tentative conclusions should be limited and should be accompanied by a warning that such tentative conclusions:

- do not affect the application or interpretation of current Standards; and
- can only lead to revisions in current Standards after completion of a due process.

Last, the CAR regrets the changes in names for IAS and SIC. In the opinion of the CAR, the terms IAS and SIC are generally accepted and well understood. Further, the co-existence of two names (IAS and IFRS; SIC and IFRIC) is likely to create confusion.

Yours faithfully,



Mrs Annet de Korne  
Secretary