International comment letters

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General Presentation and Disclosures

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Amendments to IFRS 17

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29 September 2020

Dear Mr. Horngomard,

Comment letter on Exposure Draft ED2019/07 - General Presentation and Disclosures

We appreciate the opportunity to comment on the International Accounting Standards Board’s (the Board) Exposure Draft ED2019/07 - General Presentation and Disclosures (the ED), published in December 2019. We have commented on this letter in the usual way. The letter includes a list of our comments and suggestions for the Board to consider.

We support the Board’s efforts to enhance the comparability and transparency of financial statements, and we believe that this is an important step towards improving the information communicated in the financial statements, which are increasingly relied on by stakeholders.

While we generally agree with the overall direction of the proposals, we have several significant comments on key aspects of the ED and suggestions for the Board to consider:

1. **Structures of the Income Statement**

   **Analysis of Operating Expenses**

   We generally support the requirement to present operating expenses using either the indirect or the direct method of presentation method. However, we question the proposed prohibition against using the indirect method of presentation method, which we believe may reduce the comparability and transparency of financial statements.

   **Proposed Provisions**

   We recommend that the Board consider allowing companies to choose between the indirect and the direct method of presentation method, with the rationale being that the choice should be based on the specific circumstances of each company.

2. **Amendments to IFRS 17**

   **Proposed Provisions**

   We believe that the proposed amendments to IFRS 17 are necessary to improve the comparability and transparency of financial statements. However, we have several concerns about the proposed amendments:

   **Proposal to Circumvent the Effect of the IFRS 17**

   We are concerned that the proposed amendments may circumvent the impact of IFRS 17 on financial statements, which may reduce the comparability and transparency of financial statements.

   **Proposal to Adjust the Discount Rate**

   We believe that the proposed amendments to adjust the discount rate may be problematic and may reduce the comparability and transparency of financial statements.

   **Proposal to Adjust the Present Value of Future Cash Flows**

   We believe that the proposed amendments to adjust the present value of future cash flows may be problematic and may reduce the comparability and transparency of financial statements.

We would be happy to discuss our comments and suggestions with you further.

Yours sincerely,

[Signature]

[Name]

International Accounting Standards Board

7 Ridgely Circus

London, E14 4HA

25 September 2019

Dear [Name],

We appreciate the opportunity to comment on the International Accounting Standards Board’s (the Board) Exposure Draft ED2019/04 - Amendments to IFRS 17 (the ED). We have reviewed the ED and have made a number of comments, which we have included in this letter.

We welcome the Board’s efforts to improve the comparability and transparency of financial statements. However, we have several concerns about the proposed amendments to IFRS 17:

**Proposal to Adjust the Discount Rate**

We are concerned that the proposed amendments to adjust the discount rate may be problematic and may reduce the comparability and transparency of financial statements.

**Proposal to Adjust the Present Value of Future Cash Flows**

We believe that the proposed amendments to adjust the present value of future cash flows may be problematic and may reduce the comparability and transparency of financial statements.

**Proposal to Circumvent the Effect of the IFRS 17**

We are concerned that the proposed amendments may circumvent the impact of IFRS 17 on financial statements, which may reduce the comparability and transparency of financial statements.

We would be happy to discuss our comments and suggestions with you further.

Yours sincerely,

[Signature]

[Name]

International Accounting Standards Board

7 Ridgely Circus

London, E14 4HA

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