Invitation to Comment:

Draft Comment Letter– *Exposure Draft ED/2021/7 Subsidiaries without Public Accountability: Disclosures*

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| Deadline for completion of this Invitation to Comment:Close of business Monday 31 January 2022Please submit to:  UKEndorsementBoard@endorsement-board.uk  |

UK Endorsement Board

The UK Endorsement Board (UKEB) is responsible for endorsement and adoption of IFRS for use in the UK and therefore is the UK’s National Standard Setter for IFRS. The UKEB also leads the UK’s engagement with the IFRS Foundation (Foundation) on the development of new standards, amendments and interpretations.This letter is intended to contribute to the Foundation’s due process. The views expressed by the UKEB in this letter are separate from, and will not necessarily affect the conclusions in, any endorsement and adoption assessment on new or amended International Accounting Standards undertaken by the UKEB.

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the UKEB’s draft comment letter on the IASB’s [Exposure Draft ED/2021/7 *Subsidiaries without Public Accountability: Disclosures.*](https://www.ifrs.org/content/dam/ifrs/project/subsidiaries-smes/ed2021-7-swpa-d.pdf)

Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts that apply IFRS and FRS 101 *Reduced Disclosure Framework*.

How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return to UKEndorsementBoard@endorsement-board.uk by close of business on Monday 31 January 2022.

Alternatively, if you prefer to respond by way of a separate letter or simple email, your feedback will also be considered. Please note that such responses will also be published on the UKEB website in line with our transparency policy (see ‘Privacy and other policies’ section below).

We welcome responses providing views on individual questions as well as comprehensive responses to all questions.

Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and endorsing IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)[[1]](#footnote-2).

The UKEB’s policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published please provide UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the “Your Details” document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other document submitted; therefore, only information that you wish to be published should be submitted in such responses.

Questions

Name of individual or organisation responding:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scope

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| 1. Do you agree with the proposed scope which is limited only to subsidiaries without public accountability? Do you support extending the scope to individual financial statements of ultimate parent of a group? Please explain your rationale.
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**Response:**

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| 1. If the reduced-disclosure IFRS Standard is adopted in the UK, would you consider changing from FRS 101 to the draft Standard? Please explain why.

A paper comparing FRS 101 and the ED can be accessed [here](https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/23776ce7-9e3f-4f0b-95bf-879d3e3dfbba/Table%20of%20comparison-101%20vs%20IASB%20ED.pdf). |

**Response:**

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Developing the proposed disclosure requirements

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| 1. Do you agree with UKEB’s recommendation at paragraph A10 for the IASB to review its ‘bottom-up approach’ to developing reduced disclosure requirements and consider aligning it more closely with the ‘top-down approach’? Please explain your rationale.
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**Response:**

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The proposed reduced disclosure requirements

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| 1. Do you agree that any disclosure requirements specified in an IFRS about the entity’s transition to that Standard should remain applicable to an entity that applies the reduced-disclosure IFRS Standard?
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**Response:**

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| 1. Do you agree with UKEB’s analysis at paragraph A19 for reduced IFRS 17 disclosure requirements for subsidiaries which are not publicly accountable? Please explain your rationale.
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**Response:**

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| 1. Do you agree with UKEB’s analysis at paragraph A23 regarding the disclosure requirements that should be excluded from the draft Standard? Do you think further reduction in the disclosure requirements in needed? Please provide examples and your rationale for their exclusion.
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**Response:**

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| 1. Do you consider that additional disclosures should be included in the draft Standard to address the needs of non-controlling interests in a subsidiary without public accountability? Please explain which disclosure requirements should be added and why?
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**Response:**

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| 1. Do agree that in maintaining the draft Standard the IASB should in future propose reduced disclosures for subsidiaries without public accountability as part of the exposure drafts for any new or amended IFRS standards? Please explain why.
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**Response:**

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Statement of cash flow exemption

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| 1. Do you support not requiring subsidiaries without public accountability to produce a statement of cash flows under certain circumstances? Please explain which circumstances you would support this exemption.
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**Response:**

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Other Comments

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| 1. In your opinion are the proposals likely to provide long terms benefits to financial reporting that exceed the costs? Can you provide any information on likely costs (qualitative or quantitative)?
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**Response:**

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1. Do you have any other comments on the exposure draft?

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**Thank you for completing this Invitation to Comment**

1. These policies can be accessed from the footer in the UKEB website here: <https://www.endorsement-board.uk> [↑](#footnote-ref-2)