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Pauline Wallace  
Chair of the UK Endorsement Board  
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4 May 2021

Dear Ms Wallace,

Thank you for inviting comments on the UK Endorsement Board secretariat's draft response on the IASB's Request for Information on the Post-implementation review of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. We'd like to use the opportunity to highlight some concerns that we have in relation to what we feel are onerous disclosure requirements within IFRS12 that we do not believe provides useful or comparable information for stakeholders.

IFRS 12 paragraph 26 requires entities to disclose information about interests in unconsolidated structured entities ("USEs"), which include amongst other items, the size of the structured entity. In practice, the size of the USE is disclosed with reference to its total assets, but other measures could be applied.

The size of an USE may fluctuate over time and where it has no impact on the risk of an interest held in a USE, this information is not utilised or tracked for risk management purposes by the entity. Furthermore, in collating this information, financial statements or equivalent information of USEs are often difficult to obtain, not up to date, and sourcing this information comes at a high cost and effort due to the large number of USEs that may exist. As such, it is our view that the cost benefit of collating the information about the size of USEs exceeds the benefit it provides to users of the financial statements, and preferably the requirements of paragraph 26 should be removed. Alternatively, the scope of paragraph 26 could be limited to those USEs where the entity has sponsored the USE.

Finally, for the reasons mentioned above regarding difficulty with obtaining information and the usefulness of information, we request that the requirements of paragraphs 27 and 29 be reconsidered, particularly in relation to the requirements of paragraphs 27(c) regarding the carrying value of assets transferred to USEs and 29(c) regarding the maximum exposure to loss of USEs.

If you would like to discuss our comment in more detail, please contact [1 Churchill Place London E14 5HP](mailto:1.Churchill.Place.London.E14.5HP).

Yours sincerely,

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