

2 December 2014

EFRAG WELCOMES FORMAL INTEGRATION OF EFFECT ANALYSES IN THE IASB STANDARD-SETTING PROCESS

EFRAG welcomes the report of the IASB Effects Analysis Consultative Group and the decision of the IASB to implement the recommendations made in the report. This formalises a positive response to Europe's long standing call for effect analyses to be conducted by the IASB before any IFRS would be published. EFRAG's efforts in stimulating debate and conducting field tests in a joint effort with National Standard Setters in Europe from 2011 onwards have been a significant contribution to this positive outcome.

Together with the UK FRC, EFRAG has stimulated the debate on improving the way in which accounting standard setters develop and implement standards throughout their due process, from start to finish since early 2011, and published the position paper "*Considering the Effects of Accounting Standards*" in 2012. The position paper was supported by no less than 15 National Standard Setters in Europe and affirmed that 'effects analysis' should be integrated into the standard-setting process over the life-cycle of projects, from the agenda proposal stage through to the final standard stage, so as to further enhance transparency of the due process and increase the accountability and credibility of the standard setter.

In parallel, EFRAG - together with the standard setters of France (ANC), Germany (ASCG), Italy (OIC) and the UK (FRC) - have conducted field tests on all major projects on the IASB agenda, with increasing coordination and cooperation with the IASB. The report acknowledges that effect analyses are best conducted with the involvement of national standard setters, as designed in EFRAG's field-work policy published in July 2013.

Roger Marshall, Acting President of the EFRAG Board commented:

"Effects analysis is an important step in the standard-setting process and EFRAG and all European stakeholders welcome the formalisation of the IASB's methodology in this domain. Cooperation with the IASB had developed in the past years as EFRAG and National Standard Setters in Europe were joining forces in conducting field tests on IASB major projects. EFRAG was planning to review and update its field work policy to appropriately reflect the consequences of the 'Maystadt' reform. IASB's formal involvement in effect analyses will also contribute to that review."

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Note for editors:

1. *About EFRAG (www.efrag.org)*

The European Financial Reporting Advisory Group, EFRAG, was set up principally for the purpose of:

- Providing pro-active advice to IASB (the International Accounting Standards Board);
- Advising the European Commission on the acceptability of International Financial Reporting Standards (IFRS) for endorsement for use in Europe in the consolidated accounts of all listed companies;
- Stimulating, coordinating, and carrying out pro-active accounting activities;
- Advising the European Commission on changes to be made to the Accounting Directive and related topics.

2. *Press enquiries*

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