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EFRAG
35 Square de Meeus
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Re: "Research agenda consultation: looking into the future"

Dear Jean-Paul,

We are pleased to have the opportunity to provide our comments on the EFRAG's Research agenda consultation.

We support EFRAG's research activities and we agree that these activities should be aimed to influence the IASB in two ways:

- asking the IASB to work on projects that are relevant for European constituents and
- ensuring that IASB projects develop in a manner that is at least acceptable for European constituents.

We think that overall EFRAG's research activities are quite effective; however, EFRAG should better communicate to its constituents how successful EFRAG research activities are in influencing the IASB. In our view, a good example of this communication is in paragraph 10 of the EFRAG's Research agenda consultation (ie in 2012 EFRAG published a DP on a Framework for Disclosure, in 2014 the IASB started its Disclosure Initiative).

We agree that EFRAG's research activities should include quantitative analysis, because in our view EFRAG should:

- focus its research activities on matters that are significant for European constituents, and
- be able to assess the impact of a new requirement before proposing a change to the existing requirements.

We think that all the five potential research topics identified by EFRAG are important topics. Relating to the potential project on "Better information on intangible assets", we observe that EFRAG should clarify the scope of this potential project specifying the relationship of this potential project with the other initiatives (eg Integrated Reporting) that are already working on this topic.

Regarding the other topics to add to the EFRAG's Research agenda, we have been informed that companies that are implementing IFRS 15 are questioning whether a purchaser should apply, in a symmetric way, some of the requirements of IFRS 15 (eg the requirements on identifying performance obligations and determining the transaction price) to account for its expenses. They observe that IFRS Standards do not include a standard that establishes how an entity should report useful information to users about the nature, amount, timing and uncertainty of expenses. This lack of guidance, in our view, has the potential to generate divergence in practice, because some entities might start applying the requirements of IFRS 15 to account for expenses from contracts with suppliers using a "mirroring approach", while others may apply a different approach.

Consequently, we think that EFRAG should consider adding to its Research agenda a project on the accounting for expenses. In our view, in this project EFRAG might assess whether a purchaser that (using a mirroring approach) applies some of the requirements of IFRS 15 to account for expenses from contracts with suppliers would provide useful information to users of its financial statements.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò
(Chairman)