

14 April 2009

International Accounting Standards Board
30 Cannon Street
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United Kingdom

Email: CommentLetters@iasb.org

Dear Sir/Madam

SAICA SUBMISSION ON THE DISCUSSION PAPER ON *PRELIMINARY VIEWS ON FINANCIAL STATEMENT PRESENTATION*

In response to your request for comments on the IASB's discussion paper on *Preliminary Views on Financial Statement Presentation*, attached is the comment letter prepared by The South African Institute of Chartered Accountants (SAICA). Please note that SAICA is not only a professional body, but also secretariat for the Accounting Practices Board (APB), the official standard-setting body in South Africa. The SAICA comment letter results from discussions with South African preparers of financial statements and from deliberations of the Accounting Practices Committee (APC), which is the technical advisory body to the APB.

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours sincerely

Sue Ludolph
Project Director – Accounting

cc: Moses Kgosana (Chairman of the Accounting Practices Board)
Prof Alex Watson (Chairperson of the Accounting Practices Committee)

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GENERAL COMMENTS

We agree that a management approach to the classification of assets and liabilities should be followed to implement the proposed activity-based presentation model, but are concerned with the level of disaggregation proposed in the Discussion Paper (refer to our answers to questions 1, 6, 16 and 19) and with the vagueness of the definitions proposed in the Discussion Paper (refer to our answers to questions 2, 9 and 10).

We question whether the level of disaggregation will provide useful information or be more confusing for investors as it would increase the note disclosure significantly. Further, there is a huge cost for preparers and we are concerned this may outweigh the benefits of providing the additional disclosure.

SPECIFIC COMMENTS

CHAPTER 2: OBJECTIVES AND PRINCIPLES OF FINANCIAL STATEMENT PRESENTATION

Question 1

*Would the **objectives of financial statement presentation** proposed in paragraphs 2.5–2.13 improve the usefulness of the information provided in an entity's financial statements and help users make better decisions in their capacity as capital providers? Why or why not? Should the boards consider any other objectives of financial statement presentation in addition to or instead of the objectives proposed in this discussion paper? If so, please describe and explain.*

In principle we agree that the objectives of financial statement presentation, as proposed in the Discussion Paper, will improve the usefulness of the information provided in an entity's financial statements and will help users make better decisions in their capacity as capital providers. We propose that no additional objectives need to be proposed by the Board.

We are, however, concerned about the second objective on the disaggregation of information in the financial statements and the level of detail required to achieve this objective. We believe that a balance should be achieved between the disaggregation of information and the cost/benefits of providing that information. We are particularly concerned with the extent of disaggregation of information required in the schedule in the notes to the financial statements that reconciles the cash flows to comprehensive income on a line by line basis. We are of the view that this requirement could be onerous and will require intensive system changes for preparers to obtain the information. Refer to our response to question 19 for a more detailed discussion.

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Question 2

Would the separation of business activities from financing activities provide information that is more decision-useful than that provided in the financial statement formats used today (see paragraph 2.19)? Why or why not?

We agree that the separation of business activities from financing activities will provide more decision-useful information than that provided in the financial statement formats used today. This will result in a more cohesive picture of the activities of an entity.

However, we are of the view that the manner in which the separation is currently addressed in the Discussion Paper is vague and could lead to different interpretations in practice. Although we agree with the development of principle-based standards, the vagueness is further enhanced by the lack of clarity in the definitions of the different activities identified in the Discussion Paper.

The description of business activities in paragraph 2.31 states that “*Business activities are those conducted with the intention to create value, such as producing goods and providing services*”. We question whether this description (especially referring to the examples) is wide enough to include investment activities, although we believe that investment activities create value. It might be useful to clarify whether the notion of creating value will also include investment activities.

In our view, it is also unclear whether treasury activities should be included or excluded from operating activities. The two views are expressed in paragraphs 2.60 and 2.61. Paragraph 2.60 states that treasury assets are used to generate a return and paragraph 2.61 states that advisory and user groups view treasury assets as part of financing activities. Based on the second view the board has decided to include treasury assets in the financing section. Our concern is that if the description of operating activities is followed to the letter, it should include treasury assets. Therefore, we propose that the definition of operating activities be amended to specifically exclude assets included in the finance section such as treasury assets. We further propose that a description of treasury assets be included to clarify under which instances these assets should be excluded from operating activities and rather included in financing activities.

Refer also to our answers to question 9 under which we express our concern regarding the distinction between operating and investment activities and question 10 where we express our concern regarding the description of financing activities.

Question 3

Should equity be presented as a section separate from the financing section or should it be included as a category in the financing section (see paragraphs 2.19(b), 2.36 and 2.52–2.55)? Why or why not?

Yes, equity should be presented separately from the financing activities. Although we acknowledge that equity could be regarded as another source of finance, especially if the entity perspective to financial reporting (as discussed in the Reporting Entity phase of the conceptual

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framework project) is followed, we still believe that the decision-usefulness of financial statements is better served by the classification of equity as a separate section.

The separate classification of equity is also more in line with the conceptual definition of equity as the residual interest in the assets of an entity after deducting the liabilities. Certain useful ratios are currently based on identifying equity separately.

Question 4

In the proposed presentation model, an entity would present its discontinued operations in a separate section (see paragraphs 2.20, 2.37 and 2.71–2.73). Does this presentation provide decision-useful information? Instead of presenting this information in a separate section, should an entity present information about its discontinued operations in the relevant categories (operating, investing, financing assets and financing liabilities)? Why or why not?

We agree that discontinued operations should be presented as a separate section. The division between continued and discontinued operations provides, in our view, decision-useful information.

However, we believe that the accounting treatment of non-current assets held for sale (in terms of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*), which are not classified as discontinued operations, should also be clarified. Our view is that these assets should be included as a separate section in the activity to which they relate. Also refer to our response to question 21 regarding basket transactions.

Question 5

*The proposed presentation model relies on a **management approach** to classification of assets and liabilities and the related changes in those items in the sections and categories in order to reflect the way an item is used within the entity or its reportable segment (see paragraphs 2.27, 2.34 and 2.39–2.41).*

(a) Would a management approach provide the most useful view of an entity to users of its financial statements?

Whilst we acknowledge that the management approach might impact comparability of financial information between entities, we support this approach in classifying assets and liabilities into the different sections and categories. Decision-usefulness will be improved if users can assess the way in which assets and liabilities are used in the entity. Our view is based on the assumption that proper disclosure of the accounting policy is adopted to classify assets and liabilities in the different categories as required by paragraph 2.41.

However, our acceptance of the management view is subject to providing clarification on the definitions of the different categories as discussed in questions 2, 9 and 10. If the definitions are not clarified, we believe that opportunities for manipulation might increase and would render the management approach to be a risky approach to adopt.

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We note that the Boards have decided how a change in accounting policy should be treated, but have not discussed how a change in use of assets or liabilities over time should be presented, i.e. change in management's approach and intention (paragraph 2.41 and 2.42). Although it might be onerous, we agree that a change in accounting policy should be applied retrospectively since this disclosure will enhance the integrity of a system based on the management approach. However, to keep the integrity of a management approach intact, the issue of the change in usage must be clarified. We also acknowledge that the distinction between a change in accounting policy and the change in intention of usage might be difficult in practice, and although this distinction has been clarified previously in International Financial Reporting Standards (IFRS), we propose that the effect of this must be carefully reconsidered if a management approach is adopted.

(b) Would the potential for reduced comparability of financial statements resulting from a management approach to classification outweigh the benefits of that approach? Why or why not?

We believe that the potential for reducing comparability resulting from a management approach will not outweigh the benefits of the approach provided proper disclosure of the accounting policies is provided and the definitions on which the management approach is based, is clarified. However, our view is based on the proviso that no additional disclosure is required to make financial statements comparable.

Question 6

*Paragraph 2.27 proposes that both assets and liabilities should be presented in the business section and in the financing section of **the statement of financial position**. Would this change in presentation coupled with the separation of business and financing activities in the statements of comprehensive income and cash flows make it easier for users to calculate some key financial ratios for an entity's business activities or its financing activities? Why or why not?*

Based on our acceptance of the distinction between business activities and financing activities in question 2 above, we agree that both assets and liabilities should be disclosed in the separate sections. This classification will provide information that is currently not readily available in financial statements and this proposal should make it easier to calculate some key financial ratios. In our view, the acceptance of the activity-based presentation model will result in a review of all ratios currently used, which could have added benefits.

However, the effect of presenting assets and liabilities separately in the business and financing section will also have an effect on the notes to the financial statements. If separation is also required in the notes the effect might be onerous. We request the Board to clarify the level of disaggregation required in the notes.

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Question 7

Paragraphs 2.27, 2.76 and 2.77 discuss classification of assets and liabilities by entities that have more than one reportable segment for segment reporting purposes. Should those entities classify assets and liabilities (and related changes) at the reportable segment level as proposed instead of at the entity level? Please explain.

We agree with the proposal that an entity with more than one reportable segment should classify the assets and liabilities based on the manner in which management applies the assets and liabilities in each of the segments. We also agree (as stated in paragraph 2.77) that reportable segments should include operations that are similar in nature and economic behaviour, and we believe that the reportable segment level would better represent the way assets and liabilities are applied within an entity.

Question 8

The proposed presentation model introduces sections and categories in the statements of financial position, comprehensive income and cash flows. As discussed in paragraph 1.21(c), the boards will need to consider making consequential amendments to existing segment disclosure requirements as a result of the proposed classification scheme. For example, the boards may need to clarify which assets should be disclosed by segment: only total assets as required today or assets for each section or category within a section. What, if any, changes in segment disclosures should the boards consider to make segment information more useful in light of the proposed presentation model? Please explain.

Although we in principle believe that the current segment reporting requirements are sufficient to provide the necessary information to assess the financial picture of the different segments of an entity, we agree that if the proposed presentation model is adopted, consequential amendments will need to be made to existing segmental reporting. Regardless of whether segment assets and liabilities are classified on an entity or segment level as identified in the previous question, we believe that the identification of sections and categories should also be applicable on a segment level to create a cohesive picture of the activities on a segment level. However, the level of further disaggregation should be limited to the minimum.

Question 9

*Are the **business section** and the **operating and investing categories** within that section defined appropriately (see paragraphs 2.31–2.33 and 2.63–2.67)? Why or why not?*

In paragraphs 2.32 and 2.33 the notion of the “*central purpose(s) for which the entity is in business*” is used as the deciding factor to classify operating and investment activities. In paragraph 2.64 the central purpose is interpreted to be “core” and “non-core” activities.

This notion of ‘core’ and ‘non-core’ activities creates in our view a new distinction between operating and investing activities, which users in the financial management or investment worlds might find difficult to understand. We propose that definitions of operating and

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investment activities be developed that are more closely linked to the definitions of these concepts as understood by the financial management and investment world. Alternatively, if more concise definitions of the terms “operating” and “investment” could not be developed, we suggest that these terms be replaced by “core” and “non-core” activities.

The classification of ‘core’/‘non-core’ might also create differences on a segment level since each segment might have different views of what is ‘core’ and ‘non-core’. For instance a certain segment or subsidiary might only include financing activities and might classify that as core, while from a group entity perspective those activities might be non-core.

Question 10

*Are the **financing section** and the **financing assets and financing liabilities categories** within that section defined appropriately (see paragraphs 2.34 and 2.56–2.62)? Should the financing section be restricted to financial assets and financial liabilities as defined in IFRSs and US GAAP as proposed? Why or why not?*

We do not agree that the financing section is appropriately defined in this discussion paper. Paragraph 2.34 classifies financial assets and financial liabilities based on a management view of what forms part of the financing section of an entity’s business and other activities. The test is to determine whether the item is interchangeable with other sources used to fund business activities. We suggest that a more precise definition of what financing activities represent should be developed. We also question the statement in paragraph 2.59 that management should have flexibility to determine when liabilities should be classified in the financing section since this will reduce comparability further.

We, however, agree with the Board, as outlined in paragraph 2.59, that certain liabilities may be more as a result of business activities (working capital) rather than as a result of financing activities. The question of which liabilities should be included in the operating section would be clarified if a more precise definition of financing activities is provided. For instance, the question could be asked whether liabilities used to fund certain specific business activities should be grouped together with the specific business activities.

We are also concerned (as stated in question 2) about the decision in paragraph 2.61 that treasury assets should be included in the financing section rather than the business section. The decision is based on the view that treasury assets are part of an entity’s overall financing activities. Refer to question two for a detail discussion of our concerns.

The business of an entity could also be funded by means other than loans or equity capital, such as government grants, donations, operating leases and other similar sources. These items may be a source of funding and the question is whether these items of income should form part of financing income or operating income. The contentious issue with these items is that they might not be related to assets or liabilities that are specifically included in the operating or financing sections.

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CHAPTER 3: IMPLICATIONS OF THE OBJECTIVES AND PRINCIPLES FOR EACH FINANCIAL STATEMENT

Question 11

Paragraph 3.2 proposes that an entity should present a classified statement of financial position (short-term and long-term subcategories for assets and liabilities) except when a presentation of assets and liabilities in order of liquidity provides information that is more relevant.

- (a) *What types of entities would you expect not to present a classified statement of financial position? Why?*

We expect that entities in the financial and insurance sectors will not present a classified statement of financial position. The reason for this is, in our view, that the assets and liabilities of these entities are either based on liquidity (e.g. banks) or a combination of liquidity and risks (e.g. insurance companies).

Our experience is that most companies outside these industries are currently presenting a classified statement of financial position, which we expect will not change.

- (b) *Should there be more guidance for distinguishing which entities should present a statement of financial position in order of liquidity? If so, what additional guidance is needed?*

No, we do not propose that more guidance should be provided. The choice between a classified statement of financial position and a statement of financial position in order of liquidity is currently available in IFRS and entities have already implemented their choice.

Question 12

Paragraph 3.14 proposes that cash equivalents should be presented and classified in a manner similar to other short-term investments, not as part of cash. Do you agree? Why or why not?

We agree that cash equivalents are similar to other short-term investments. This proposal eliminates the need for a definition of cash equivalents. However, we believe that the determination of what represents cash could also be problematic. The issue of distinguishing cash when restrictions are placed on the availability of cash, such as restricted cash held by banks as part of their capital structure, should in our view also be clarified.

Question 13

Paragraph 3.19 proposes that an entity should present its similar assets and liabilities that are measured on different bases on separate lines in the statement of financial position. Would this disaggregation provide information that is more decision-useful than a presentation that

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permits line items to include similar assets and liabilities measured on different bases? Why or why not?

We believe that the presentation of similar assets and liabilities that are measured on different bases could either be separated on the face of the statement of financial position or in the notes. The proposal of paragraph 3.19 to only allow for the first option, separate lines in the statement of financial position, could be useful in certain instances, but could also clutter the statement of financial position with too much information. We are also of the view that the limitation that such disaggregation be presented on the face of the statement of financial position will not necessarily provide decision-useful information in all instances.

Question 14

Should an entity present comprehensive income and its components in a single statement of comprehensive income as proposed (see paragraphs 3.24–3.33)? Why or why not? If not, how should they be presented?

We agree with the proposal that comprehensive income and its components be presented in a single statement of comprehensive income. However, we believe that the issue of recycling of items from other comprehensive income to the profit or loss section should also be addressed in the presentation project.

Question 15

Paragraph 3.25 proposes that an entity should indicate the category to which items of other comprehensive income relate (except some foreign currency translation adjustments) (see paragraphs 3.37–3.41). Would that information be decision-useful? Why or why not?

Yes, we agree. If an activity-based presentation model is accepted, the disaggregation of activities in other comprehensive income will ensure cohesion with the activities identified in the other sections of the financial statements.

Question 16

Paragraphs 3.42–3.48 propose that an entity should further disaggregate within each section and category in the statement of comprehensive income its revenues, expenses, gains and losses by their function, by their nature, or both if doing so will enhance the usefulness of the information in predicting the entity's future cash flows. Would this level of disaggregation provide information that is decision-useful to users in their capacity as capital providers? Why or why not?

Yes, we agree that the disaggregation by function, by nature or both filtered down to each activity provided, as stated in paragraph 3.42 and 3.44, will enhance the usefulness of the information in predicting the entity's future cash flows. We believe that this disaggregation will provide decision-useful information, but propose that this disaggregation be limited to grouping of certain income and expenses together. We believe that the face of the principal statements should provide an overall view of the cohesive picture of the activities of the entity

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and that the details should be in the notes. Our view is that the examples of the principal statement that are provided in the Discussion Paper are too detailed and could be simplified. The detail of the current examples of the principle statements will in our view make it more difficult for users to assess the financial activities of an entity.

Question 17

Paragraph 3.55 proposes that an entity should allocate and present income taxes within the statement of comprehensive income in accordance with existing requirements (see paragraphs 3.56–3.62). To which sections and categories, if any, should an entity allocate income taxes in order to provide information that is decision-useful to users? Please explain.

We agree that income taxes should be a separate line item in the profit and loss section of the statement of comprehensive income and that income taxes should be allocated to the discontinued operation section and the components of other comprehensive income.

Question 18

Paragraph 3.63 proposes that an entity should present foreign currency transaction gains and losses, including the components of any net gain or loss arising on remeasurement into its functional currency, in the same section and category as the assets and liabilities that gave rise to the gains or losses.

- (a) *Would this provide decision-useful information to users in their capacity as capital providers? Please explain why or why not and discuss any alternative methods of presenting this information.*

In principle, we agree with this proposal because it will enhance the cohesive picture presented by the financial statements. The assets and liabilities to which the foreign currency gains and losses relate will be included in the different activities. Thus the foreign exchange gains and losses on them would be directly linked to the related activity.

- (b) *What costs should the boards consider related to presenting the components of net foreign currency transaction gains or losses for presentation in different sections and categories?*

Initially, an entity will incur costs to identify assets and liabilities in the different activities. However, this is a cost of the implementation of the activity-based presentation model and not the classification of foreign exchange gains and losses. Once the model is implemented, the tracking of foreign currency gains and losses in the various activities should not represent undue extra costs.

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Question 19

Paragraph 3.75 proposes that an entity should use a direct method of presenting cash flows in the statement of cash flows.

- (a) *Would a direct method of presenting operating cash flows provide information that is decision-useful?*

We agree that the direct method of presenting operating cash flows will provide information that is decision-useful.

- (b) *Is a direct method more consistent with the proposed cohesiveness and disaggregation objectives (see paragraphs 3.75–3.80) than an indirect method? Why or why not?*

We agree that the direct method is more consistent with the proposed cohesiveness objective. In the Exposure Draft on phase one of the conceptual framework project the notion has been established that the performance of a company could be determined on an accrual basis and a cash basis. The direct method is in our view a better method to assess the performance of an entity based on a cash basis. The reconciliation with comprehensive income increases the usefulness of assessing the performance of an entity.

However, as stated in question 1, we are concerned about the level of disaggregation in the proposed reconciliation schedule. Additionally, the direct method might increase the cost of preparing the cash flow information due to the need to obtain more information and effect system changes. The cost will increase if the reconciliation of cash to comprehensive income is required on a line by line basis.

We are of the view that the additional costs will not outweigh the benefits of this increased disclosure. However, we recommend that the IASB conduct field tests to determine whether the benefits outweigh the costs.

- (c) *Would the information currently provided using an indirect method to present operating cash flows be provided in the proposed reconciliation schedule (see paragraphs 4.19 and 4.45)? Why or why not?*

Our view is that the reconciliation schedule will provide the information currently provided under the indirect method, and will even provide more relevant information.

Question 20

What costs should the boards consider related to using a direct method to present operating cash flows (see paragraphs 3.81–3.83)? Please distinguish between one-off or one-time implementation costs and ongoing application costs. How might those costs be reduced without reducing the benefits of presenting operating cash receipts and payments?

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We believe that the benefits of implementing the direct method to present operating cash flows will exceed the cost. We are, however, concerned about the level of detail required in the reconciliation of cash to comprehensive income as discussed in question 1 and 19.

Question 21

On the basis of the discussion in paragraphs 3.88–3.95, should the effects of basket transactions be allocated to the related sections and categories in the statement of comprehensive income and the statement of cash flows to achieve cohesiveness? If not, in which section or category should those effects be presented?

In principle we believe that if the information is available the effect of basket transactions should be allocated to the related sections and categories for the activity-based presentation model to be applied appropriately. However, in limited instances where it is difficult to make such allocation, we believe that an allocation to the section in which the major activities are incurred could be appropriate.

Refer also to our response to question 4 where we identified uncertainty in the treatment of basket transaction if disposal groups are not regarded as discontinued operations.

CHAPTER 4: NOTES TO FINANCIAL STATEMENTS

Question 22

Should an entity that presents assets and liabilities in order of liquidity in its statement of financial position disclose information about the maturities of its short-term contractual assets and liabilities in the notes to financial statements as proposed in paragraph 4.7? Should all entities present this information? Why or why not?

We believe that the additional disclosure that is provided by entities using the classified statement of financial position and those using the order of liquidity should be the same. . Paragraph 4.11 states that all entities should disclose information about the maturities of its contractual long-term assets and liabilities in the notes to financial statements. Therefore, all contractual assets and liabilities that are not included in the paragraph 4.11 disclosure are by default classified as short-term. We, however, believe that the disclosure of information about the maturity of short-term contractual assets and liabilities may be useful in certain instances, and could be required as an option and not a mandatory requirement.

Question 23

Paragraph 4.19 proposes that an entity should present a schedule in the notes to financial statements that reconciles cash flows to comprehensive income and disaggregates comprehensive income into four components: (a) cash received or paid other than in transactions with owners, (b) accruals other than remeasurements, (c) remeasurements that are recurring fair value changes or valuation adjustments, and (d) remeasurements that are not recurring fair value changes or valuation adjustments.

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- (a) *Would the proposed reconciliation schedule increase users' understanding of the amount, timing and uncertainty of an entity's future cash flows? Why or why not? Please include a discussion of the costs and benefits of providing the reconciliation schedule.*

In principle, we agree that the proposed reconciliation schedule will increase users' understanding of the amount, timing and uncertainty of an entity's future cash flows. However, we believe that the amount of information that is currently required is too onerous. Comprehensive system changes will be needed to provide the information on a line by line basis. We therefore suggest that a more condensed version of the reconciliation be considered that will provide the overall picture, but not the level of detail currently proposed.

A reconciliation of the main line items of the statement of cash flows to the statement of comprehensive income will in our view suffice.

- (b) *Should changes in assets and liabilities be disaggregated into the components described in paragraph 4.19? Please explain your rationale for any component you would either add or omit.*

We agree that information should be provided that separate accrual adjustments, fair value measurement adjustments from other measurement adjustments.

- (c) *Is the guidance provided in paragraphs 4.31, 4.41 and 4.44–4.46 clear and sufficient to prepare the reconciliation schedule? If not, please explain how the guidance should be modified.*

We believe that the guidance is clear, but is too onerous to be applied in practice.

Question 24

*Should the boards address further disaggregation of **changes in fair value** in a future project (see paragraphs 4.42 and 4.43)? Why or why not?*

We believe that the disaggregation to identify fair value changes from other changes should ideally be addressed in this presentation project. However, further disaggregation of fair value changes should, in our view, be considered in the fair value measurement project. The consequential effect of the outcome of the fair value measurement project must then be considered in the presentation project.

Question 25

*Should the boards consider other **alternative reconciliation formats** for disaggregating information in the financial statements, such as the statement of financial position reconciliation and the statement of comprehensive income matrix described in Appendix B, paragraphs B10–B22? For example, should entities that primarily manage assets and liabilities rather than cash flows (for example, entities in the financial services industries) be*

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required to use the statement of financial position reconciliation format rather than the proposed format that reconciles cash flows to comprehensive income? Why or why not?

No, we believe that a concept has been established that the performance of a company could be assessed on an accrual basis and a cash flow basis. In our view a condensed reconciliation between the two bases should be appropriate.

Question 26

*The FASB's preliminary view is that a memo column in the reconciliation schedule could provide a way for management to draw users' attention to **unusual or infrequent events or transactions** that are often presented as special items in earnings reports (see paragraphs 4.48–4.52). As noted in paragraph 4.53, the IASB is not supportive of including information in the reconciliation schedule about unusual or infrequent events or transactions.*

(a) *Would this information be decision-useful to users in their capacity as capital providers? Why or why not?*

We disagree that a further memo column should be included in the reconciliation schedule.

We believe that if an entity provides the general disclosure requirements, such as those currently required in paragraph 85 of IAS 1 – *Presentation of Financial Statements*, then such disclosures would suffice. These disclosures require an entity to include additional items, headings and subtotals on the face of the statement of comprehensive income when such presentation is relevant to an understanding of an entity's financial performance.

(b) *APB Opinion No. 30 Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, contains definitions of unusual and infrequent (repeated in paragraph 4.51). Are those definitions too restrictive? If so, what type of restrictions, if any, should be placed on information presented in this column?*

Based on our view above we provide no further information.

(c) *Should an entity have the option of presenting the information in narrative format only?*

Yes, if the presentation is provided in the frame of additional disclosure referred to in (a) above.

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