

IASB Exposure Draft - Subsidiaries without Public Accountability: Disclosures

ICAS Response

27 January 2022



Introduction

ICAS welcomes the opportunity to provide our views on the IASB Exposure Draft – Subsidiaries without Public Accountability: Disclosures.

Our CA qualification is internationally recognised and respected. We are a professional body of almost 23,000 members who work in the UK and in more than 100 countries around the world. Our members represent different sizes of accountancy practices, financial services, industry, the investment community and the public sector. Almost two thirds of our working membership work in business, many leading some of the UK's, and the world's, great companies.

Our Charter requires its committees to act primarily in the public interest, and our responses to consultations are therefore intended to place the public interest first. Our Charter also requires us to represent our members' views and to protect their interests, but in the rare cases where these are at odds with the public interest, it is the public interest which must be paramount.

Any enquiries should be addressed to Anne Adrain, Head of Sustainability and Reporting, aadrain@icas.com.

General comments

We welcome the opportunity to respond to the IASB Exposure Draft – Subsidiaries without Public Accountability: Disclosures.

We have not replied to all the consultation questions but have provided some general comments on the proposals in the paragraphs below.

1. Support for a similar approach to FRS 101, Reduced Disclosure Framework

We are supportive of the introduction of a reduced disclosure standard for subsidiaries without public accountability to remove some of the complexity and reduce the costs associated with the reporting undertaken by these entities. We would, however, recommend that the IASB follows a similar approach to that provided in Financial Reporting Standard 101, (FRS 101), Reduced Disclosure Framework, whose application in the UK and the Republic of Ireland, is widespread. This approach would reduce both the cost and administrative burden for eligible entities and would not lead to any significant negative impact on the usefulness of the disclosures provided.

2. Scope of the proposals

We note that the proposals in the Exposure Draft would only be applicable to subsidiaries without public accountability whose parents produce consolidated financial statements using IFRS Standards. We are aware that many multi-national groups may use an alternative financial reporting framework, such as US GAAP, to prepare their consolidated financial statements and would not be eligible to take advantage of the reduced disclosures. We would, therefore, welcome consideration being given to extending the scope of the proposed approach to those entities whose parents produce their consolidated financial statements under either IFRS Standards, or equivalent, accompanied by appropriate guidance,

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