

# IASB Discussion paper “ A Review of the Conceptual Framework for Financial Reporting” DP/ 2013/1 July 2013

## Detailed comment from UKSA

### 1 Terminology

UKSA finds the terminology very difficult. There are many areas where this arises. We will try to highlight a few.

1.2 Resources: this word is used in e.g. para 2.2 but in para 2.10 and in OB12 of chapter 1 the word “economic” is added. In 2.9 the words “resources embodying economic benefits “ are used. Do these variations mean something different or the same? If the same meaning is intended then the same words should be used.

1.3 Claims: used in 2.2a but in 2.6 the word “obligations” is added. Are these something different?

1.4 Liabilities: In 2.10 a “liability is an obligation”. So are the two terms synonymous?

1.5 Other comprehensive income(OCI):

This phrase is doubly confusing. Does the use of “other” imply that that some “ comprehensive” income is in the profit and loss account? In what sense is any income NOT comprehensive?

1.6 Investors, lenders and other creditors:

UKSA notes that these words are used many times in e.g. paras OB2,3,and 4 of chapter 1 of the 2010 framework. Could these not be defined as “primary users” thus both shortening the document and making it much easier to read?

1.7 Income; Para 2.43b refers to “ gains which represent other items that meet the definition of income”. Where is income defined?

There are other apparent inconsistencies in the use of terms. Resolution of these would much aid comprehension.

### 2 The idea of fundamental concepts

UKSA notes that on a number of areas ( e.g. 2.35b )the IASB does not wish to give guidance. UKSA believes that this negates the very idea of fundamental concepts if such concepts, as expressed, are inadequate to deal with points such as the one mentioned.

UKSA notes that the IASB also does not wish to provide guidance as to what is to go in the p&L and what is to go in the OCI. This seems to indicate uncertainty as to what the two statements are for; again surely an absolutely fundamental concept.

UKSA; 7 Jan 2014