Exposure Draft Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures

Question to Constituents

12 This (draft) Standard would allow subsidiaries without public accountability to make a transition to IFRSs adopting a reduced set of disclosure. On the one hand, it has been observed that such entities would however have to continue to produce a detailed set of disclosure to prepare their reporting package for the parent company that produces full IFRSs. But on the other hand, the level of materiality at group level will be different from the materiality at subsidiary level. Do you expect any incremental benefits for the European companies in your jurisdiction? Please detail.

CNC expects a decrease on the audit fees. Notwithstanding, CNC is of the opinion that the benefit would not compensate the cost of loss of information for users and the lack of consistency with firms using local GAAPs.

37 Considering the advantages and disadvantages identified above and the EU accounting legislation, do you prefer a different scope? If so, please specify your preference.

CNC sees no advantages in a different scope for the standard. In fact, CNC sees no advantages on this ED. CNC notes that EC legislation as already simplified standards for entities concerning their size.

47 Do you foresee any incompatibilities between the IASB’s proposals included in the ED (e.g., use of the term ‘public accountability’) and EU accounting legislation, such as Regulation (EC) No 1606/2002 or the Directive 2013/34/EU (e.g., use of the term ‘Public Interest Entities’)?

Please see answer to Question in par. 37.

65 Would the information required by paragraph 130 of the ED (reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities) differ from the information reported by the parent (as required by paragraphs 44A–44E of IAS 7)? If so, in what respect?

CNC sees no material differences.

66 Do consolidated financial statements regularly include a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities?

CNC believes that, in general, such information is disclosed in Consolidated Financial Statements.

84 In your jurisdiction, are there entities that issue insurance contracts within the scope of IFRS 17 and are eligible to apply the IASB’s proposals? If so, please provide details on which entities would be in the scope, the nature of insurance activities they undertake and how common they are. What simplifications to disclosure requirements of IFRS 17 would you propose for those entities?

CNC does not have information about this issue.

Lisbon, 21st January 2022