



FRED 80 - Draft amendments to FRS 100
Application of Financial Reporting Requirements
Application Guidance
The Interpretation of Equivalence

ICAS Response

26 August 2022

Introduction

ICAS welcomes the opportunity to provide our views on the Financial Reporting Council's consultation paper 'FRED 80 – *Draft Amendments to FRS 100 - Application Guidance – The Interpretation of Equivalence.*'

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 on this response should be addressed to James Barbour CA, Director, Policy Leadership, [REDACTED]

Responses to specific questions

Question 1 Do you agree with the proposed amendments to the Application Guidance The Interpretation of Equivalence to FRS 100? If not, why not?

We are generally supportive of the proposed amendments.

We believe it would be helpful to elaborate at paragraphs AG12 to AG14 of the proposed amendments on the position in relation to the equivalence of national accounting standards of European Economic Area (EEA) states and UK GAAP. We believe that at the present time (and until such time as there is divergence) one might reasonably conclude that the consolidated accounts of an EEA parent would be equivalent for the purposes of applying section 401(2)(b)(ii) of the Companies Act 2006. Such clarification would be welcomed. Alternatively, consideration could be given to including clarification on this matter in the Basis for Conclusions.

Question 2 In relation to the Consultation stage impact assessment, do you have any comments on the costs and benefits identified? Please provide evidence to support your views.

We do not have any specific comments on the consultation stage impact assessment. We are, however, aware that the current uncertainty over the status of UK adopted IFRS and UK GAAP is causing difficulties for some UK companies which is resulting in additional time and costs in determining what requirements apply.

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Contact us

CA House, 21 Haymarket Yards, Edinburgh, UK, EH12 5BH

+44 (0) 131 347 0100

connect@icas.com | [icas.com](https://www.icas.com)

@ICASaccounting

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