

BELGIAN ACCOUNTING STANDARDS BOARD



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Our reference
C-005

Your reference

Date
January 20th 2010

Dear Sir, Madam,

Dear Sir,

This letter sets out the Belgian Accounting Standards Board's (BASB) comments on EFRAG's Draft Comment Letter on the IASB Exposure Draft "Management Commentary" which has been issued in June 2009.

Question 1

The IASB's approach to the subject of Management Commentary. Do you agree with the Board's decision to develop a guidance document for the preparation and presentation of management commentary instead of an IFRS? If not, why?

We support the decision of the IASB to develop a guidance document instead of an IFRS. We are of the opinion that, even if the IASB does not provide a mandatory standard, the need to meet the objective of the management commentary will automatically lead to decision-useful information.

Question 2

Content elements. Do you agree that the content elements described in paragraphs 24 – 39 are necessary for the preparation of a decision-useful management commentary? If not, how should those content elements be changed to provide decision-useful information to users of the financial reports?

We support the high-level, principles-based approach towards the content of the commentary letter that the board is proposing to adopt.

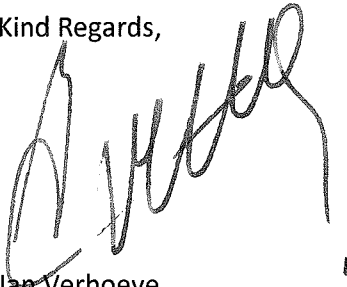
Question 3

Application guidance and illustrative examples. Do you agree with the Board's decision not to include detailed application guidance and illustrative examples in the final management commentary guidance document? If not, what specific guidance would you include and why?

We do not support the Board's decision. Examples are always useful to illustrate the underlying principles. The idea that the application of illustrative examples would be interpreted as either a floor (minimum requirements) or a ceiling (the only requirements) should be refuted in the application guidance.

We hope that you find our comments helpful. If you wish to discuss them further, please do not hesitate to contact us.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Jan Verhoeye', written in a cursive style.

Jan Verhoeye
Chairman BASB