



# ORDEM DOS REVISORES OFICIAIS DE CONTAS

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Sir David Tweedie

Chairman

International Accounting Standards Board

30 Cannon Street, London EC4M 6XH

United Kingdom

Lisbon, 18<sup>th</sup> July, 2002

**Subject: Invitation to Comment**

**Exposure Draft of Proposed Improvements to International Accounting Standards**

**Ref: DT/049/02**

Dear Sir,

The Portuguese Institute of Statutory Auditors (OROC) appreciates the opportunity to comment on the above exposure draft as explained below:

## IAS 1

### Question 1

No, we do not agree with the proposed approach in para 13 "*...if the relevant regulatory framework requires ... such a departure*" and consequently we defend the deletion of para 15.

We support the previous concept "*... the existence of conflicting national requirements is not, in itself sufficient to justify a departure in financial statements prepared using International Accounting Standards*".

### Additional Comments

Under the glossary the terms "*expense*" and "*cost*" have different meanings. However in para 76, 86 and 87, the terms "*finance costs, transport costs, advertising costs and cost of sales*" are used in the sense of expenses.

## IAS 27

### Question I and 2

Yes.

Membro Fundador  
da:



Fédération  
des Experts  
Comptables  
Européens

e

Membro  
da:



INTERNATIONAL FEDERATION  
OF ACCOUNTANTS



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## Question 3

No

We would like to emphasise that this IAS is to be applied also in countries where the investors, shareholders (to decide the profits distribution) and governments (government grants) only rely on separate financial statements and ratios even when they prepare consolidated financial statements.

**We cannot support** in this case **the elimination of the equity method** because it usually allows the equity in the financial statements of the investor and in the group consolidated financial statements to be the same - which logically they should be.

When the IASB is increasing the application of the fair value method, we do not understand the technical explanation to continue to allow the cost method.

We are in favour to eliminate the cost method and retain the equity method.

## Additional Comments

Para 30 A uses the term "*results in operation*" when in the Framework the header of para 15 to 20 uses the term "*performance*". We think consistency is important if we are talking about the same thing.

Should you wish to discuss the comments above or require clarification of any issues raised, do not hesitate to contact us.

Yours sincerely,

José Gonçalves Roberto  
Technical Director  
Ordem dos Revisores Oficiais de Contas