



January 15, 2014

International Accounting Standards Board
30 Cannon Street
London, United Kingdom
EC4M 6XH

Via “Open to Comment” page, www.iasb.org

Dear Sirs and Mesdames:

The Committee on Corporate Reporting (CCR) of Financial Executives International Canada (FEI Canada) is responding to your request for comments on the December 2013 Exposure Draft: Equity Method in Separate Financial Statements.

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and 1,700 members, FEI Canada provides professional development, thought leadership and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors and senior executives in the Finance, Controller, Treasury and Taxation functions, represents a significant number of Canada’s leading and most influential corporations.

The Committee on Corporate Reporting (“CCR”) is one of seven thought leadership committees of FEI Canada. CCR is devoted to improving the awareness of issues and educating FEI Canada members on the implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

Question 1 – Use of the equity method

We agree with the proposal to permit the equity method as one of the options to account for an entity’s investment in subsidiaries, joint ventures and associates in the entity’s separate financial statements. An entity may desire, or be required, to use the equity method for these types of investments in its separate financial statements that are not prepared for general purposes. Permitting the use of the equity method in general purpose separate financial statements will allow the flexibility to report financial statements that more easily meet the needs of users and may reduce the cost of reporting compliance.



Question 2 – Transition provisions

We agree with the proposed requirement to apply a change to the equity method retrospectively.

Question 3 – First-time adopters

We agree that special relief on first-time adoption of IFRS is not required.

Question 4 – Consequential amendment to IAS 28 Investments in Associates and Joint Ventures

We agree with the proposed amendment to IAS 28.

CCR appreciates the opportunity to comment on the Exposure Draft and we trust that our comments will be of use to you as you continue in your deliberations. Please do not hesitate to contact us if you would like to discuss our views further.

Sincerely,

Gordon Heard
Chair
Committee on Corporate Reporting
FEI Canada

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