

January 8, 2018

IFRS Foundation
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UK

By email: commentletters@ifrs.org

Re: Exposure Draft: Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)

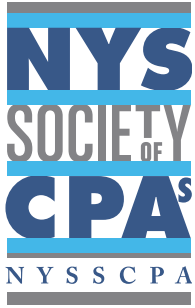
The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

The NYSSCPA's International Accounting & Auditing Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Craig T. Goodman, Chair of the International Accounting & Auditing Committee, at (212) 324-7048, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Harold L. Deiters III
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**EXPOSURE DRAFT: ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(PROPOSED AMENDMENTS TO IAS 8)**

January 8, 2018

Principal Drafters

Craig T. Goodman

Diane Jules

Denise Moritz

William M. Stocker III

Margaret A. Wood

NYSSCPA 2017–2018 Board of Directors

Harold L. Deiters III,
President

Jan C. Herring,
President-elect

Anthony T. Abboud,
Secretary/Treasurer

Paul E. Becht,
Vice President

John B. Huttlinger, Jr.
Vice President

Mitchell J. Mertz,
Vice President

Candice R. Meth,
Vice President

Joanne S. Barry,
ex officio

Dennis N. Annarumma

Edward L. Arcara

Sol S. Basilyan

Christopher G. Cahill

Jack M. Carr

Anthony S. Chan

Salvatore A. Collemi

Mitchell A. Davis

William H. Dresnack

Edward F. Esposito

Mark L. Farber

Lynne M. Fuentes

Jennifer R. George

Craig T. Goodman

Elliot L. Hendler

Douglas L. Hoffman

Patricia A. Johnson

Kimberly G. Johnson

Barbara A. Marino

Tracey J. Niemotko

Kevin P. O’Leary

Thomas S. Pirro

Iralma Pozo

Renee Rampulla

Brian M. Reese

Steven A. Stanek

Denise M. Stefano

Janeen F. Sutryk

Michael M. Todres

Mark M. Ulrich

F. Michael Zovistoski

NYSSCPA 2017–2018 Accounting and Auditing Oversight Committee

Robert M. Rollmann, *Chair*

Renee Mikalopas-Cassidy, *Vice Chair*

Charles Abraham

Michael J. Corkery

Craig T. Goodman

Jan C. Herring

J. Michael Kirkland

Rita M. Piazza

Victoria L. Pitkin

Joseph J. Puglisi

Dominic J. Rovano

William M. Stocker III

Margaret A. Wood

NYSSCPA 2017–2018 International Accounting & Auditing Committee

Craig T. Goodman, *Chair*

Francesco Bellandi

Remi Forgeas

Jeffery M. Gellman

Richard C. Jones

Diane L. Jules

Steven Z. Kahn

Lukasz M. Kwiatkowski

Antoine P. Leroy

Michael R. McMurtry

Renee Mikalopas-Cassidy

Denise Moritz

Richard M. Posen

Renee Rampulla

Robert M. Rollmann

Michael S. Solomon

William M. Stocker III

Tammy W. Tien

George I. Victor

Margaret A. Wood

NYSSCPA Staff

Ernest J. Markezin

New York State Society of Certified Public Accountants

Comments on

Exposure Draft: Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)

The New York State Society of Certified Public Accountants (NYSSCPA) appreciates the opportunity to provide comments on the International Accounting Standards Board's (IASB or the Board) exposure draft Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8) (Exposure Draft). Overall, we support the Board's objective to provide for consistency in the way entities distinguish accounting policies from accounting estimates. We have provided our comments and responses to the specific Questions for Respondents asked in the exposure draft as follows.

Questions for Respondents

Question 1: The Board proposes clarifying the definition of accounting policies by removing the terms 'conventions' and 'rules' and replacing the term 'bases' with the term 'measurement bases' (see paragraph 5 and paragraphs BC5–BC8 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

Response: We agree with this proposed amendment.

Question 2: The Board proposes:

- a) clarifying how accounting policies and accounting estimates relate to each other, by explaining that accounting estimates are used in applying accounting policies; and
- b) adding a definition of accounting estimates and removing the definition of a change in accounting estimate (see paragraph 5 and paragraphs BC9–BC16 of the Basis for Conclusions).

Do you agree with these proposed amendments? Why or why not? If not, what do you propose and why?

Response: Overall, we agree with these proposed amendments. However, we suggest that the Board provide additional clarification as to whether the reasons for a change in accounting estimate are limited to; changes occurring in the circumstances in which the accounting estimate was based, or as a result of new information or new experience, as stated in paragraph 34 of IAS 8. We are asking for clarification with reference to

paragraph 35 which addresses difficulty in distinguishing a change in accounting policy from a change in accounting estimate.

Question 3: The Board proposes clarifying that when an item in the financial statements cannot be measured with precision, selecting an estimation technique or valuation technique constitutes making an accounting estimate to use in applying an accounting policy for that item (see paragraph 32A and paragraph BC18 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

Response: We agree with this proposed amendment.

Question 4: The Board proposes clarifying that, in applying IAS 2 *Inventories*, selecting the first-in, first-out (FIFO) cost formula or the weighted average cost formula for interchangeable inventories constitutes selecting an accounting policy (see paragraph 32B and paragraphs BC19–BC20 of the Basis for Conclusions).

Do you agree with this proposed amendment? Why or why not? If not, what do you propose and why?

Response: We agree with this proposed amendment.

Question 5: Do you have any other comments on the proposals?

Response: We do not have any other comments.