



World Council of Credit Unions, Inc.

November 30, 2012

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

Re: *Comprehensive Review of the IFRS for SMEs*

Dear Sir or Madam:

World Council of Credit Unions (World Council) appreciates the opportunity to comment on the International Accounting Standards Board's (IASB) comprehensive review of *IFRS for SMEs*, which the IASB issued in June 2012.¹ World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are nearly 54,000 cooperatively owned not-for-profit credit unions in 100 countries, with more than US\$1.5 trillion in assets and 190 million credit union members.

Credit unions are financial cooperatives which exist to provide their members with loans at fair rates of interest, promote thrift, and provide other financial services to their members. Terms for "credit union" include "savings and credit cooperative organization (SACCO)," "cooperativa de ahorro y crédito" (or sometimes another type of "cooperativa," such as a "cooperativa multiactiva"), "caja de ahorro y crédito," "caisse populaire," "Islamic finance cooperative," "Spółdzielcze Kasy Oszczędnościowo-Kredytowe," and other names which vary from jurisdiction to jurisdiction and from language to language.

Most credit unions have less than US\$ 10 million in assets but credit unions can range in size from as small as only a few thousand U.S. dollars in assets to over US\$ 51 billion in assets. The average sizes and technical capacities of credit unions also vary significantly from country to country. For example, the 125 credit unions in Liberia have total combined assets of only US\$ 972,000, while the over 7,000 credit unions in the United States have approximately US\$ 1 trillion in total assets.²

Summary of World Council's Comments

- **Question S2:** World Council strongly supports giving jurisdictions the option to allow credit unions and similar financial institutions to use *IFRS for SMEs*. Credit unions in Great Britain and Ireland of any asset size will follow *IFRS for SMEs* beginning in 2015. Similarly, federally insured credit unions in the United States with less than US\$ 10 million in assets are permitted to follow less stringent Regulatory Accounting Principles (RAP). We believe that giving jurisdictions the option to allow credit unions to follow *IFRS for SMEs* will not present safety and soundness concerns and will help credit unions be better able to serve their members and promote financial inclusion.

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¹ IASB, Request for Comment, *Comprehensive Review of the IFRS for SMEs* (June 2012), available at <http://www.ifrs.org/IFRS-for-SMEs/Pages/RI.aspx>.

² World Council of Credit Unions, *2011 Statistical Report* (2012), available at <http://www.woccu.org/publications/statreport>.



- Question S3: Credit unions are often considered “not-for-profit” institutions because they are cooperatives which exist to serve their members rather than to maximize profits; this is distinguishable from the concept of a “non-profit” like a charity. We request clarification regarding whether IASB intends the Question S3 subject matter on “not-for-profits” to apply to credit unions notwithstanding that Question S2 addresses credit unions expressly. We strongly support credit unions being permitted to use *IFRS for SMEs* whether or not they are considered “not-for-profit” enterprises in the jurisdiction in question.
- Question S5: We support giving credit unions the option to follow either *IFRS for SMEs* or IFRS 9 with respect to financial instrument recognition and measurement issues.
- Question S6: We support revision of Section 11’s fair value guidance to recognize expressly that credit union and similar cooperative shares are issued and redeemed at par, that credit union and other cooperative shares often qualify as at-risk regulatory capital, and that credit union and other cooperative shares do not fluctuate in value unless they are written down to cover losses which have exhausted more senior forms of regulatory capital like retained earnings.
- Question S12: We support revision of Section 19’s business combination provisions to recognize that credit union and similar mutual combinations typically result in two institutions pooling their assets and liabilities without giving “consideration to the seller . . .” in the manner which occurs in a joint-stock company acquisition. We believe that *IFRS for SMEs*, as well as full IFRS, should include specific guidance on mutual business combinations which reflects that mutual combinations result in a pooling of resources. *IFRS for SMEs* should not attempt to make credit union mergers and amalgamations fit in all respects into “purchase” or “acquisition” molds designed for joint-stock company business combinations.
- Question S13: We do not support permitting recognition of share subscriptions as equity until the credit union has received cash from its member so that the share is fully paid-in.
- Question S14: We support continuation of *IFRS for SMEs* recognizing all borrowing costs as an expense because requiring small institutions to capitalize some types of borrowing costs—such as those related to acquisitions of long-term assets—would increase regulatory compliance burdens and without providing significant benefits to credit unions.

World Council’s Detailed Comments

Question S2: Use by financial institutions

We strongly support Answer “(b),” the proposal to revise *IFRS for SMEs* to give jurisdictions the option to let credit unions use the *IFRS for SMEs* standard, with each jurisdiction having authority to set criteria regarding which types of institutions can use *IFRS for SMEs*, asset thresholds (if any), and so forth. The use of *IFRS for SMEs* for all credit unions in Great Britain and Ireland starting in 2015 and the longstanding use of Regulatory Accounting Principles (RAP) for credit unions under US\$ 10 million in assets in the United States demonstrate that *IFRS for SMEs* and similar streamlined accounting standards are a safe and sound approach for credit unions and other smaller financial institutions.

We believe that IASB should amend *IFRS for SMEs* to recognize expressly that each jurisdiction should have authority to decide which standards should apply to which types and sizes of entities, and



how relevant legislation impacts the standard, as the FRC has done with respect to British and Irish credit unions. Many smaller credit unions do not have the technical capacity to implement full IFRS. Not permitting the option for financial institutions to use *IFRS for SMEs* could therefore have the unintended result of some credit unions, especially in developing countries, retaining accounting standards which are less stringent than *IFRS for SMEs*, since use of *IFRS for SMEs* would be forbidden but compliance with full IFRS would not be feasible.

Credit Unions in the United Kingdom and the Republic of Ireland Follow IFRS for SMEs

In Great Britain and Ireland, the Financial Reporting Council (FRC)—which is responsible for setting accounting standards in the United Kingdom and Republic of Ireland—determined that *IFRS for SMEs* was the appropriate accounting standard for British and Irish credit unions of all asset sizes starting in 2015 notwithstanding that the current *IFRS for SMEs* prohibits its use by financial institutions. For more information please see the response by the Association of British Credit Unions Ltd. (ABCUL) to the Accounting Standards Board’s (ASB) consultation on IFRS implementation in the United Kingdom, which includes detailed information on the costs and benefits for credit unions of *IFRS for SMEs*.³

In Great Britain and Ireland credit unions are depository institutions which provide community banking services to their members such as loans, savings products, and, in some cases, payments services. Credit unions in these jurisdictions range from being very small to over US\$ 100 million in assets. As of the end of 2011, there were 494 credit unions in Ireland with more than 3 million members and over US\$ 17 billion in assets, and 405 credit unions in Great Britain with approximately 1 million members and over US\$ 1.3 billion in assets.⁴

There is no indication that use of *IFRS for SMEs* by British and Irish credit unions will negatively impact the safety and soundness of these credit union systems. If *IFRS for SMEs* can be applied safely and soundly to credit unions in Great Britain and Ireland, even with respect to credit unions with more than US\$ 100 million in assets, *IFRS for SMEs* can likely be applied to credit unions in any jurisdiction in a safe and sound manner even if they are relatively large. We therefore support giving each jurisdiction the authority to determine what types and sizes of entities can follow IFRS and SMEs based on local conditions and legislation, as the FRC has endeavored to do in Great Britain and Ireland.

Small Credit Unions in the United States Can Follow Streamlined Regulatory Accounting Principles

In the United States, the National Credit Union Administration (NCUA) promulgates RAPs applicable to federally insured credit unions under US\$ 10 million in assets, and these small credit unions are not required to follow U.S. GAAP. The NCUA *Accounting Manual*⁵ sets forth these RAPs and “adheres to generally accepted accounting principles (GAAP) except for certain permissible accounting practices which are less stringent [than] GAAP,”⁶ much like *IFRS for SMEs* vis-à-vis full IFRS.

³ABCUL, *Accounting Standards Board – The Future of Financial Reporting: Financial Reporting Exposure Draft* (April 2011), available at <http://www.abcul.coop/media-and-research/consultations/consultation-futureoffinancialreporting>.

⁴ See World Council of Credit Unions, *2011 Statistical Report*, *supra* note 2.

⁵ NCUA, *Accounting Manual* (Dec. 2002), available at <http://www.ncua.gov/Legal/GuidesEtc/Pages/Accounting-Manual.aspx>.

⁶ *Id.* at § 100, available at http://www.ncua.gov/Legal/GuidesEtc/AccountingManuals/100_Introduction.pdf.



Many U.S. credit unions have less than US\$ 10 million in assets⁷ and small U.S. credit unions have a very long record of following NCUA promulgated RAPs in a safe and sound manner. The U.S. Congress in 1998 chose to continue the option of less stringent RAPs for credit unions under US\$ 10 million in assets in order to limit unreasonable regulatory compliance burdens on these small institutions (and prior to 1998 even large U.S. credit unions could be subject to RAPs which were less stringent than U.S. GAAP).⁸ The US\$ 10 million asset threshold established by Congress in 1998 would be equivalent to approximately US\$13.7 million in 2011 dollars, or over €10.6 million today. Similarly, U.S. law only requires external audits under generally acceptable auditing standards (U.S. GAAS) for federally insured credit unions with US\$ 500 million or more in assets.⁹

Although NCUA's RAPs are not *IFRS for SMEs* per se, they are similar because NCUA RAPs are essentially a streamlined version of U.S. GAAP which is specifically geared towards small credit union operations. The longstanding, safe and sound use of RAPs by thousands of small U.S. credit unions strongly supports the proposition that *IFRS for SMEs* can be safely and soundly applied to credit unions and similar small financial institutions in any jurisdiction.

Not Allowing Credit Unions to Follow IFRS for SMEs Could Cause Unintended Consequences

We believe that IASB officially providing credit union supervisors with the option to use *IFRS for SMEs* for credit unions is especially important in developing countries. In some developing jurisdictions, accounting at credit unions and other small financial institution may not currently meet the level of rigor represented by *IFRS for SMEs*, let alone the rigor of full IFRS. The frequently pro forma accounting systems used in these institutions often fail to recognize losses in an appropriate and timely manner, and can therefore result in opaque accounting which does not reflect the institution's true financial position. Opaque and inaccurate accounting is not useful to credit union regulators, managers, or members and presents a major safety and soundness concern in some credit union systems.

We believe that providing national or provincial credit union regulators and/or accounting authorities with the option to use *IFRS for SMEs* in these jurisdictions presents an attainable level of accounting compliance for small financial institutions which would be likely to result in improved accounting accuracy and transparency. In contrast, many of these institutions do not have the technical capacity to implement full IFRS and therefore are likely to continue to utilize accounting practices which are less stringent than *IFRS for SMEs* if *IFRS for SMEs* is not a permissible option.

Prohibiting these jurisdictions from using *IFRS for SMEs* as a credit union accounting compliance option even when regulators believe that *IFRS for SMEs* would be the most appropriate standard for small institutions could have unintended negative consequences. We are concerned that not allowing *IFRS for SMEs* as an option for credit unions and similar small financial institutions could incentivize these institutions to continue to use accounting standards which are less rigorous than *IFRS for SMEs*,

⁷ The median U.S. credit union asset size in June 2012 was US\$ 20.6 million in assets. See Credit Union National Association, *U.S. Credit Union Profile*, at *9 (Sep. 18, 2012), available at http://www.cuna.org/research/download/uscu_profile_2q12.pdf

⁸ Credit Union Membership Access Act, Pub. L. No. 105-219, § 201 (1998) (codified at 12 U.S.C. § 1782(a)(6)) (eliminating the use of RAPs for federally insured credit unions with US\$ 10 million or more in assets unless the RAP is "no less stringent than generally acceptable accounting principles," but preserving NCUA's plenary RAP authority for credit unions with less than US\$ 10 million in assets).

⁹ 12 U.S.C. § 1782(a)(6)(D) ("Each insured credit union having total assets of \$500,000,000 or more shall have an independent audit of the financial statements of the credit union, performed in accordance with generally accepted auditing standards . . .").



since they do not have the technical capacity to implement full IFRS but use of the more attainable *IFRS for SMEs* would be officially prohibited.

Question S3: Clarification of use by not-for-profit entities

We request clarification regarding whether IASB intends for Questions S3's subject matter to apply to credit unions, even though Question S2 addresses credit unions specifically, and we therefore select Answer "(d)" ("Other"). We also note that Question S3 appears intended to apply to "charities" and similar institutions which are more clearly defined as "non-profit" institutions—i.e. institutions which do not make a profit—rather than "not-for-profit" entities which exist primarily for a purpose other than making a profit. Regardless of whether IASB intended Question S3 to apply to credit unions, we strongly support giving jurisdictions the option to allow credit unions to use *IFRS for SMEs* whether or not credit unions in that jurisdiction are considered "not-for-profit."

Credit unions are often considered "not-for-profit" enterprises because they exist primarily to serve their members, not to maximize profits. Perhaps the best known formulation of this principle is the statement that credit unions are "not for profit, not for charity, but for service." In order to be economically sustainable, however, credit unions must have some degree of net income to add to their reserves, control for inflation, and be able to expand services to members. For this reason some credit union systems view themselves as "for profit but not for a lot of profit," which is another way to express credit unionism's primary purpose of providing services to members in order to help them improve their lives, instead of maximizing profits at the members' expense as would a for-profit commercial bank. Credit unions' primary purpose of providing services to members is consistent with the *Oxford English Dictionary (OED)* definition of "not-for-profit" which reads as follows:

A. adj. (and adv.) Designating an organization, corporation, etc., which does not operate for the purpose of making a profit. Cf. NON-PROFIT adj., FOR-PROFIT adj. Also occas. as adv.

The *OED*'s earliest example of the use of the term "not-for-profit" concerns an agricultural cooperative and dates to 1913: "The cost to the farmer may often be no more than where a coöperative, 'not-for-profit' association with less equipment undertakes to supply a service at actual cost." In contrast, the *OED* defines the term "non-profit" as "A non-profit-making organization; *spec.* a charity." If the IASB in Question S3 intended to refer to charities and similar organizations, we suggest using the term "non-profit" rather than "not-for-profit" in the future in order to avoid confusion.

As noted above, we strongly support giving jurisdictions the option to allow credit unions to use *IFRS for SMEs* whether or not credit unions in that jurisdiction are considered "not-for-profit."

Question S5: Use of recognition and measurement provisions in full IFRSs for financial instruments

We support Answer "(b)," which would give credit unions the option to follow IFRS 9 *Financial Instruments* with respect to financial instrument recognition and measurement issues. Institutions which did not choose to follow IFRS 9 could continue to utilize the provisions of *IFRS for SMEs* Sections 11 and 12 instead. Currently, institutions subject to *IFRS for SMEs* can elect to follow either *IFRS for SMEs* Sections 11 and 12 in full, or follow the recognition and measurement provisions of IAS 39 *Financial Instruments: Recognition and Measurement* and the disclosure requirements of Sections 11 and 12. IFRS 9 will replace IAS 39 beginning 2015.



We think that since SMEs would in all scenarios have at least the option to follow the *IFRS for SMEs* Sections 11 and 12 for recognition and measurement purposes, allowing institutions to also have the option to use IFRS 9 presents limited opportunities for arbitrage because IFRS 9 is a more stringent standard than *IFRS for SMEs*.

We also support the option for credit unions to use IFRS 9 because some credit union supervisors may decide that IFRS 9 should be the applicable standard for credit unions and similar financial institutions, even if credit unions in their jurisdiction follow *IFRS for SMEs* in other respects. Financial instruments are a very significant credit union asset class and valuation of these investments pursuant to IFRS 9 could conceivably be relevant to ensuring credit unions' continued safety and soundness under some facts and circumstances. Whether or not IFRS 9 is desirable for credit unions subject to *IFRS for SMEs* will be clearer once IFRS 9 is issued in a final form and takes effect in 2015.

Question S6: Guidance on fair value measurement for financial and non-financial items

We support revision of Section 11's fair value guidance to recognize expressly that credit union and similar cooperative shares are issued and redeemed at par, that credit union and other cooperative shares often qualify as at-risk regulatory capital, and that credit union and other cooperative shares do not fluctuate in value absent significant institutional losses, and therefore support Answer "(c)" ("Other"). We suggest that *IFRS for SMEs* be revised to reference specifically IFRIC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments* with respect to credit union shares and similar cooperative shares.¹⁰

Credit unions have issued shares that operate as equity capital since the inception of the credit union movement. The first credit unions in Massachusetts required members to subscribe to a US\$ 5 share as early as 1909, and shares initially represented these credit unions' only form of capital. In many credit union systems—including most Latin American, African and Caribbean systems, Australia, the Canadian provinces of Alberta, British Columbia, New Brunswick, Ontario, Quebec, and some types of U.S. credit unions—credit union shares currently qualify as regulatory capital to at least some extent.

The Basel III protocol recognizes that shares of cooperatives, such as credit unions, can qualify as regulatory capital including as common equity Tier 1 instruments (the most senior type of regulatory capital under Basel III),¹¹ as does the European Union's draft CRD IV package which will implement Basel III in Europe.¹²

These credit union shares do not fluctuate in value unless they are subject to a write-down as the result of losses which exceed more senior forms of capital such as retained earnings, in which case the shares are usually written down *pari passu* with all equally senior shares.¹³ We therefore request that

¹⁰ IFRS Interpretations Committee, IFRIC Interpretation 9 *Members' Shares in Co-operative Entities and Similar Instruments* (2004), available at http://ec.europa.eu/internal_market/accounting/docs/arc/ifric2/ifric2_bkg_en.pdf.

¹¹ See Basel Committee on Banking Supervision, *Basel III: A global regulatory framework for more resilient banks and banking systems* at 14 & n.12 (Dec. 2010, rev. June 2011), available at <http://www.bis.org/publ/bcbs189.pdf>; see also World Council of Credit Unions, *Credit Union Shares as Regulatory Capital Under Basel III* (Aug. 2012), available at <http://www.woccu.org/policyadvocacy/positionpapers>.

¹² See European Commission, *New proposals on capital requirements (CRD IV Package)*, CRR Articles 25-28, available at http://ec.europa.eu/internal_market/bank/regcapital/new_proposals_en.htm (last visited June 21, 2012).

¹³ The NCUA's impairment determination of credit union capital shares at two U.S. "corporate" credit unions in 2009, United States Central Federal Credit Union and Western Corporate Federal



IASB revise the Section 11 fair value guidance to reference IFRIC Interpretation No. 2 *Members' Shares in Co-operative Entities and Similar Instruments* and note that Section 11 should not apply to valuation of credit union or similar cooperative shares unless those shares have been subject to a loss determination which has triggered a write-down of shares under applicable credit union regulatory capital rules.

Question S12: Consideration of changes of accounting for business combinations in full IFRS

We support revision of Section 19's business combination provisions to recognize that credit union and similar mutual combinations typically result in two institutions pooling their assets and liabilities without giving "consideration to the seller . . ." in the manner which occurs in a joint-stock company acquisition. We therefore support Answer "(c)" ("Other").

We believe that *IFRS for SMEs*, as well as full IFRS, should include specific guidance on mutual business combinations which reflects that mutual combinations result in a pooling of resources. *IFRS for SMEs* should not attempt to make credit union mergers and amalgamations fit in all respects into "purchase" or "acquisition" molds designed for joint-stock company business combinations.

The implementation of the "acquisition method" for U.S. credit unions resulting from the Financial Accounting Standards Board's (FASB) Financial Accounting Standard (FAS) 141(R) *Business Combinations* required significant legislative and regulatory changes.¹⁴ Under U.S. GAAP, credit unions until 2009 used a "pooling-of-interests method" for credit union business combinations; FAS 141(R) for the first time required these non-stock institutions to switch to the "acquisition method" used under U.S. GAAP for joint-stock companies.¹⁵

FAS 141(R) was fundamentally incompatible with then existing U.S. credit union regulatory capital laws (which were based on the U.S. GAAP pooling-of-interests method) and the U.S. Congress was prompted to make statutory changes to the Federal Credit Union Act in response.¹⁶

Credit Union, are a good example of how credit union regulators recognize losses which exceed a credit union's retained earnings and write down credit union capital shares in order to absorb that loss on a going concern basis. See NCUA, Letter to Credit Unions No. 09-CU-10 (May 2009), available at <http://www.ncua.gov/Resources/CUs/Pages/LTCU2009.aspx> ("Once a Corporate's retained earnings are exhausted, recognition of further losses creates a retained earnings deficit. From that point forward, the "losses that exceed retained earnings" trigger the regulatory mandate to apply PIC [Paid-In Capital Shares] to "cover losses" represented by the retained earnings deficit, on a dollar-for-dollar basis. Once PIC is exhausted, further "losses that will exceed retained earnings and PIC" trigger the regulatory mandate to apply MCA [Membership Capital Share Accounts] to "cover losses." When that occurs, the impact flows down to the members of the Corporate, who must each evaluate their PIC and MCA investments for impairment and apply the lost value against their own retained earnings.").

¹⁴ FASB, *Statement of Financial Accounting Standards No. 141 (R)* (Dec. 2007); see Prompt Corrective Action; Amended Definition of Post-Merger Net Worth, 73 Fed. Reg. 72688 (Dec. 1, 2008), available at <http://www.gpo.gov/fdsys/pkg/FR-2008-12-01/html/E8-28462.htm>.

¹⁵ See FASB, *Statement of Financial Accounting Standards No. 141 (R)* at i ("This Statement applies to all business entities, including mutual entities that previously used the pooling-of-interests method of accounting for some business combinations.").

¹⁶ See Financial Services Regulatory Relief Act of 2006, Pub. L. No. 109-351, 120 Stat. 1966 (2006); Prompt Corrective Action; Amended Definition of Post-Merger Net Worth, 73 Fed. Reg. at 72688-90 ("Under [the Federal Credit Union Act's] 'retained earnings only' definition of [credit union regulatory] net worth, the 'pooling method' preserved an incentive to merge because it allowed an acquiring credit union to combine its own retained earnings with that of the merging credit union to determine the acquirer's post-merger net worth ratio . . . Due to the 'retained earnings only' limitation on net worth that applies to credit unions, the 'acquisition



We urge the IASB to take steps to avoid situations similar to U.S. credit unions' experience with FAS 141(R) implementation from occurring under *IFRS for SMEs* and full IFRS. We believe that the IASB should expressly recognize that “acquisition” or “purchase” method approaches may not be fully compatible with the realities of mutual business combinations, and also provide specific guidance regarding mutual business combinations which presents the economic realities of such mergers and amalgamations in an accurate and transparent way.

Question S13: Presentation of share subscriptions

We do not support permitting recognition of share subscriptions as equity until the credit union has received cash from its member so that the share is fully paid-in. We therefore support Answer “(a)” and urge the IASB not to change the current requirement that share subscriptions receivable and similar receivables be treated as an offset to equity if the shares are issued before the entity receives the cash for those instruments.

Credit union shares are often a component of the institution's regulatory capital and are at-risk and subject to write-downs if more senior forms of regulatory capital, such as retained earnings, are depleted. In such situations the institution must recognize losses satisfied by a write-down of members' capital shares in order to continue as a going concern. For this reason we believe that only counting fully paid-in shares as equity is essential to maintaining safe and sound credit unions since a share receivable would not be able to absorb losses resulting from bad loans or investments and would present a misleading picture of the institution's true equity position.

Question S14: Capitalisation of borrowing costs on qualifying assets

We support answer “(a)”, the continuation of *IFRS for SMEs* recognizing all borrowing costs as an expense because requiring small institutions to capitalize some types of borrowing costs—such as those related to acquisitions of long-term assets—would increase regulatory compliance burdens without adding significant benefits in terms of better understanding the institution's financial position.

Credit unions do acquire buildings and some types of business equipment which could be subject to IAS 23 *Borrowing Costs* under full IFRS but these types of assets are usually incidental to a credit union's operations and do not represent a significant percentage of institutional assets. In addition, credit union regulatory capital rules often do not fully recognize capitalized costs—or goodwill or revaluation of property, plant, and equipment—as regulatory capital because these elements of equity cannot be easily converted to cash in the event of a credit union failure; this would further limit the relevance of any required borrowing cost capitalization calculation for a credit union subject to *IFRS for SMEs*.

Requiring credit unions to capitalize some borrowing costs would therefore be likely to increase credit union compliance costs without adding significant benefits to the institution, its regulators, or credit union members. We urge the IASB to not change the current *IFRS for SMEs* approach to accounting for borrowing costs.

method' of financial reporting would have exactly the opposite effect of the 'pooling method.' It would discourage credit union mergers by excluding a merging credit union's retained earnings from the post-merger net worth of the acquiring credit union . . . Out of concern that FAS 141(R), when subject to the 'retained earnings only' definition of net worth, would stifle credit union mergers, Congress . . . expanded the definition of a natural person credit union's 'net worth').



Conclusion

Thank you for the opportunity to comment on the IASB's comprehensive review of *IFRS for SMEs*. If you have questions about our comments, please feel free to contact me at medwards@woccu.org or +1-202-508-6755.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Edwards". The signature is fluid and cursive, with the first name being particularly prominent.

Michael S. Edwards
WOCCU Chief Counsel and VP for
Advocacy and Government Affairs