

EFRAG  
Meeûssquare 35  
1000 Brussels

Correspondant  
Ignace Bogaert

Our references  
C 2013/047

Your references

Date  
03.07.2013

Dear Sir, Madam,

**Invitation to comment – Getting a Better Framework Bulletin - Reliability**

The Belgian Accounting Standards Board (BASB) is pleased to respond to the EFRAG Bulletin – Getting a Better Framework: Reliability issued in April 2013.

**Question 1:**

Are there any arguments for either of the views set out in the Bulletin that we have not discussed?

The BASB agrees with the views expressed in the Bulletin.

**Question 2:**

Which view do you support? Why?

The BASB strongly supports the second view and we believe that the qualitative concept of *reliability* should be reinstated in the Framework.

The historical cost principle follows the accounting quality of *reliability* since all parties involved can agree on the original purchase price of an asset. However, the historical price is not necessarily relevant information. Land that was purchased 20 years ago could now be worth much more than the balance sheet shows. Likewise, a building purchased many years ago and recorded on the balance sheet at the original cost does not reflect the current market price.

The BASB is of the opinion that the fair value might provide more relevant information, but this information is not necessarily reliable, even if sufficient disclosure is provided.

Therefore, both qualitative characteristics should be maintained, and depending on the transaction, prevalence can be given to either *relevance* or *reliability*. We believe that the trade-off between both concepts should be maintained in the current framework.

Should you wish to discuss the content of this letter with us, please contact Jan Verhoeve at [jan.verhoeve@cnc-cbn.be](mailto:jan.verhoeve@cnc-cbn.be).

Yours faithfully,

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

Jan Verhoeve  
Chairman BASB