Financial Reporting for Private Companies: The Canadian Experiment*

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*This research is at a very early stage; we hope that you will forgive the rough edges. Please don’t quote without checking with us first. Thanks.
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Abstract

The issue of whether private companies should be allowed to use simplified accounting standards in financial reports has concerned the accounting profession for decades. It has been argued that preparing financial reports in accordance with the large volume of promulgated standards contained in GAAP, some of which are relatively complex, has put a significant strain on the resources of small business. Moreover, information produced and presented in accordance with at least some accounting standards within GAAP may not be relevant for the users of private companies’ financial statements.

Recently, Canadian standard setters created a differential reporting option for implementation in fiscal years beginning on or after January 1, 2002. Companies that are not publicly accountable and that have the unanimous consent of shareholders can opt out of a selected group of accounting standards that are present in “full GAAP.” In this first part of this research we look at lobbying behaviour associated with this new Handbook provision, as found in the letters of response to the exposure drafts for this standard and the associated assurance standard. The next phase of the research will occur when private businesses have had a chance to implement the standard. At that time we intend to: (1) gather data from businesses of this type about their differential reporting choices to determine whether these decisions are associated with characteristics of the enterprise and (2) study whether the non-comparability created by certain differential reporting options affects financial statement users.
Introduction

The concern about whether it is possible to meet the needs of stakeholders of both public and private business (or large and small business) with one uniform set of accounting standards has been with us for some time. The possibility of developing special accounting principles for smaller and/or private companies has been studied again and again by standard setters (CICA, 1999). As over 90% of Canadian businesses are estimated to be of small or medium size (CICA, 1999), any change in the accounting principles employed in the financial reports of such enterprises can be expected to have an important impact on the quality and quantity of financial information produced in this country.

The purpose of this research is to examine financial reporting for private business in the context of the Canadian differential reporting standard that was introduced into the CICA Handbook in January of 2002. We organize the paper as follows. The next section discusses the background to the study. This is followed by a discussion of the options available to standard setters when designing financial reporting standards specific to small and/or private business. We follow this with a review of literature on small and/or private business financial reporting. We then describe three studies that will provide evidence about the response to and impact of this new standard.
Background

We can view standard setting as a mediation process designed to resolve the conflicting interests of various parties to financial reporting – investors, lenders, other capital providers, managers, owner/managers, etc. Market forces and contracting outcomes may accomplish much of the required mediation but these economic forces alone will not completely determine the right amount and specification of financial information. The need for regulation of financial reporting for public companies is often attributed to information asymmetry and the need to protect individuals who are at an information disadvantage. Much of the attention of standard setters is directed at improving disclosure and measurement requirements for public companies – thereby reducing information asymmetry between investors in public companies and company insiders.

Effective standard setting should be decision useful for investors but must also meet the needs of other users, in particular management and owner/managers. Scott proposes three criteria for standard setting (Scott, 2003) including not only decision usefulness and reduction of information asymmetry, but also economic consequences of new standards. Whether a standard is seen as effective may differ to the extent that these criteria differ between public companies and small and/or private companies. Differences in the nature of decision usefulness, the degree of information asymmetry (and the availability of other mechanisms to mediate the information asymmetry), and the effect of economic consequences
(costs of complying as well as opportunity costs) are potential arguments for differential standards for private and/or small companies.

Until recently, standard setters have tended to favour the use of uniform standards for all businesses rather than allowing simplified accounting standards for small or private companies. To allow an alternative, simplified set of accounting principles would work against the accounting profession's efforts to narrow the range of acceptable practices. Moreover, it is believed that the accounting measurement process should be independent of the size of the business and the nature of its users. (Kelley, 1976) To measure similar economic events in inconsistent ways, depending on the nature of the company and its financial statement users, would create confusion (Kelley, 1976; Stanga and Tiller, 1983) and have a detrimental impact on comparability (Nair and Rittenberg, 1983). It should also be noted that lenders, a primary user of private company financial statements, have expressed support for allowing only one set of GAAP that should apply to all businesses regardless of size or type. (Lowe, 1987; Baker and Cunningham, 1993, and Abdel-Khalik et al. 1983).

However, within the last five years, three countries have moved to allow differential reporting for small and/or private companies. The UK introduced a full set of simplified financial reporting standards for small businesses in 1997 (known as “Financial Reporting Standards for Smaller Entities” or FRSSE). In the same year, New Zealand implemented a provision that allowed certain reporting
exemptions for companies that were not publicly accountable and either small or owner-managed.

In 2002, Canada introduced its own differential reporting standard, effective for fiscal years beginning on or after January 1, 2002. Entities qualify for differential reporting options if they are not publicly accountable and if owners unanimously consent to the application of these options (CICA Handbook, S1300.06). The new standard argues that benefits and costs of producing accounting information for various enterprises differ depending, in part, on the nature of the financial statement users, the use the information is put to, and the number of financial statement users. For example, non-publicly-accountable companies tend to have fewer financial statement users than publicly accountable enterprises. The Accounting Standards Board asserts that these users often have an intimate knowledge of the company and thus may not rely as heavily on financial statements as financial statement users of public companies; and most financial statement users of non-publicly accountable enterprises have the capability to obtain additional information from management, if this is desired. (CICA Handbook, S1300.03)

The rationale for the new differential reporting standard reflects complaints that have been made repeatedly over the last decades. For example, it has long been argued that the promulgation of complex and detailed accounting standards has put a significant strain on the resources of small business. When all companies
are required to apply the same generally accepted accounting principles, smaller companies endure a proportionately higher financial burden to prepare financial statements and obtain an unqualified audited opinion on those financial statements. (Friedlob and Plewa, 1992; Epaves, 1978; Derieux, 1985).

Moreover, it is argued that small companies and large companies have different audiences (Paterson, 2001; Page, 1984). Although financial statements prepared under the full application of generally accepted accounting principles (which we will refer to as “full GAAP”) are suitable for the stakeholders of large companies whose shares are publicly traded, they may not be appropriate for lenders and managers of small private companies. Some of this information may be irrelevant to the stakeholders of small businesses and the cost of producing this irrelevant information may preclude the production and presentation of more relevant data (Kelley, 1976).

It has also been argued that standard setters, in developing (full) GAAP, have focussed on investors’ rather than creditors’ needs (Campbell, 1984) and have been concerned primarily with the reporting issues of large, publicly traded companies and not with the needs of small or privately held entities (Nair and Rittenberg, 1983, p. 5).
Approaches that Standard Setters Can Take for Small Business Financial Reporting Standards

When promulgating standards for small/private business financial reporting, standard setters have several alternatives approaches to choose from. The approach chosen can have significant impacts on financial reporting outcomes.

The form which financial reporting specific to small business takes can vary on four attributes. First it can vary as to extent ranging from differential disclosure only to differential recognition. Financial reporting standards for small or private business can also vary on whether its use is voluntary or mandatory, and whether the provisions are to be applied comprehensively or selectively. Finally, standard setters can choose to develop a full set of standards specific to small/private business or they can allow these enterprises to opt out of certain aspects of full GAAP.

**Extent:**

The extent of differential reporting for small or private business at one extreme could be restricted to differential disclosure only. Allowing this would resolve some of the problems of costly and complex disclosures that may be unnecessary for the users of small or closely held businesses. For example, this was the approach recommended in 1976 by the AICPA’s Committee on
Generally Accepted Accounting Principles for Smaller and/or Closely Held Businesses. The report suggested that the FASB develop criteria to distinguish between disclosures that all entities should be required to make and those that provide additional or analytical data that would not necessarily be required for smaller or closely held businesses. (Kelley, 1976)

Differential disclosure has been in existence for some time, both in the United States and Canada. For example, in Canada private companies have not been required to report earnings per share information or segment information for a number of years. In addition, they do not need as extensive disclosure for employee future benefits or income taxes as do public companies. Now, the new Canadian differential reporting standard allows qualifying companies to opt out of certain share capital disclosures for classes of shares that have not been issued, as well as certain financial instrument disclosures (CICA Handbook, S3240 and S3860)

Differential presentation is another possibility. Standard setters could allow different financial statement presentation for small or private companies than their large, public counterparts. For example, the new Canadian standard allows retractable preferred shares (that a non-qualifying company would need to present as a liability), to be presented as equity by qualifying companies provided the shares were issued under certain tax planning arrangements (CICA Handbook, S3860).
Differential measurement is another potential approach that could be helpful to private or small business. These businesses could apply simplified measurement techniques to some assets and/or liabilities. The Canadian standard allows qualifying companies to account for subsidiaries (joint ventures) using either the equity method or the cost method, rather than applying consolidation (proportionate consolidation) as would be required of other companies (CICA Handbook, S1590 and S3055). Qualifying companies are also allowed to report investments in companies subject to significant influence under the cost method, while other companies need to use the equity method.

Finally, standard setters could allow for differential recognition for private and/or small businesses. This would allow these companies to avoid recognizing items that are difficult or complex to measure. The Canadian standard allows qualifying companies to avoid recognition of future income tax assets/liabilities and expenses.

*Mandatory versus Voluntary Implementation:*

Financial reporting standards for small or private business can also vary on whether its use is voluntary or mandatory. It can be argued that all companies qualifying for financial reporting standards for small/private business should be required to use those standards for its financial reporting. If such standards have been developed with the specific needs of small/private business financial
statement users, then it would not be logical to allow any small/private business to report in any other way. A requirement to follow accounting standards designed for small/private business would enhance comparability relative to a situation where companies of this type are allowed a choice of using either Big GAAP or Little GAAP.

On the other hand, small/private companies that expect to become large/public companies should perhaps not be forced to (temporarily) use differential reporting. Moreover, mandatory use of accounting standards for small/private business would take away the possibilities for signalling activity through the application of full GAAP.

**Comprehensive versus Selective Application:**

Standard setters have the option of allowing selective application (buffet style) of the accounting standards specific to small/private business or requiring that companies choosing differential reporting, apply all of these standards. An advantage of comprehensive application is that it would enhance understandability and comparability, as all qualifying companies choosing differential reporting would be using the same set of standards. When companies can pick and choose among the standards to opt out of, financial statement users will need to cope with many different combinations of accounting principle sets. For example, if a differential reporting standard allowed for selective application of six different differential reporting exemptions, there would be 63 (i.e., $2^6 - 1$)
possible combinations of non-Full GAAP accounting standard sets that a small/private business could choose from in preparing its financial statements, each year. It can also be argued that as each differential reporting provision has been developed especially with the needs of financial statement users of small/private business in mind, the enterprise should not be allowed to freely diverge from these provisions.

An alternative view is that if small or private companies wish to use some (but not all) full GAAP provisions, this would add reliability and perhaps credibility to the financial statements relative to using all possible exemptions. The ability to signal to capital providers may also be enhanced.

**Standalone Model versus Opting-out Model:**

Finally, standard setters can choose to develop a full set of standards specific to small/private business or they can allow these enterprises to opt out of certain aspects of full GAAP. The first approach has advantages in terms of transparency. A physically separate set of standards exists for small/private business that both preparers and users can relate to. A standard that simply allows for opting out of certain full GAAP requirements is much less costly to develop, but may also be less understandable to the financial statement user, and more cumbersome for the preparer.
The Canadian standard setters have adopted a standard that allows for voluntary rather than mandatory implementation of private business reporting standard. The standard can be applied by enterprises on a selective basis. The Canadian Accounting Standards Board has chosen an opting out model as opposed to creating a standalone set of small/private business financial reporting standards. (Note that the New Zealand differential reporting standard has these same features, while the UK standard requires comprehensive application based on a standalone set of accounting standards for smaller businesses.)

The Canadian standard has included exemptions in all four differential reporting areas (disclosure, presentation, measurement and recognition). The Canadian standard setters’ choice is shown in the table below.

<table>
<thead>
<tr>
<th>Differential disclosure</th>
<th>Differential presentation</th>
<th>Differential measurement</th>
<th>Differential recognition</th>
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<tbody>
<tr>
<td>Standalone Model</td>
<td>Opting Out Model</td>
<td>Standalone Model</td>
<td>Opting Out Model</td>
</tr>
<tr>
<td><strong>Mandatory</strong></td>
<td><strong>Selective application</strong></td>
<td><strong>Voluntary</strong></td>
<td><strong>Selective application</strong></td>
</tr>
<tr>
<td>Comprehensive application</td>
<td>Comprehensive application</td>
<td>Selective application</td>
<td>Comprehensive application</td>
</tr>
</tbody>
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<tr>
<th>Literature Relating to Small/Private Business Financial Reporting</th>
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<tbody>
<tr>
<td>There has already been a reasonable amount of empirical research on the issue of small/private business financial reporting. One line of research has sought the</td>
</tr>
</tbody>
</table>
views of various parties with an interest in small/private business financial reporting. In a study sponsored by the Financial Accounting Standards Board, Abdel-khalik et al. (1983) surveyed managers of private companies, commercial lending officers and public accountants to elicit their views on financial reporting for private companies. They found that the primary users of private company financial statements were managers, followed by lenders and suppliers. They found that most lenders and accountants agreed that GAAP statements are more relevant and reliable than would be financial statements prepared on an alternative basis. And they found that managers and accountants believed that although the complexity of standards was a factor in increasing accountants’ fees, it was not viewed as the primary cause (the primary cause was general inflation).

Siebel and Dennis (1983) examined the views of commercial loan officers about financial reporting for small business. In particular, they identified 15 commonly suggested exemptions from full GAAP and asked for the degree of agreement/disagreement with this exemption. In no case did a majority of respondents agree that an exemption should be allowed.

Nair and Rittenberg (1983) surveyed lenders, CPAs and financial officers of small businesses. Respondents were asked for their views on the use of small business financial statements. It was found that the primary use of financial statements was believed to be for bank loans and credit arrangements. Bankers
did not agree that users of small business financial statements do not rely on financial statements as much as users of large businesses. It was also found that CPAs and bankers had very different perspectives on issues relating to financial reporting for small businesses; thus suggesting that accounting practitioners would not be good surrogates or spokespeople for lenders.

Page (1984) surveyed directors of small companies. They were asked to rank uses of company financial statements in order of importance. The most important uses were for providing managers with information, supporting tax calculations and providing banks with information.

Holmes, Kent and Downey (1991) did a survey of practicing accountants across Australia. They found that 97% of these respondents thought there is a need for some form of differential reporting based on entity size and legal structure.

CICA (1999) used focus groups of small firm accounting practitioners, lenders, venture capital providers and small business owner/managers. They found that the accounting practitioners were the most interested in the issue of differential reporting. The financial statement user groups and the small business owner/managers seemed reasonably satisfied with the status quo.

A second line of research has looked at the information needs of users of small or private business financial reports. For example, Stanga and Tiller (1983)
examined the information needs of lenders for small versus large companies. Loan officers from large banks were given a context of a large company seeking a loan while loan officers from smaller banks were given a context of a small company seeking a loan. They found that the two groups have substantially similar, although not identical, information needs.

A third type of research looked at the cost/benefit issues relating to the production of financial statements under alternative financial accounting standards. Williams, Chen and Tearney (1991) studied bank financial analysts’ views about the usefulness and cost effectiveness of certain GAAP requirements for small business. The four requirements that were examined were: lease capitalization, deferred taxes, interest on construction loans, and compensated absences. The usefulness ratings given by participants for GAAP treatment of lease capitalization, deferred taxes and compensated absences were significantly higher than the cash basis alternatives. There was no significant difference in usefulness ratings between capitalization vs non-capitalization of interest. The participants also rated the alternative accounting methods in terms of cost-effectiveness and found that only capitalization of leases was rated as being significantly more cost effective than its alternative of non-capitalization.

McAleese (2001) studied the impact in Ireland of the UK differential reporting standard (FRSSE). She survey accounting practitioners in Ireland (both North and South) who prepare and audit the financial statements of small companies.
She found that since the implementation of FRSSE there has been no reduction in the perceived burden of financial reporting. It was found that in the majority of cases neither fees associated with compliance engagements nor audit fees have changed as a result of the standard. The practitioners that used the standard perceived a higher financial reporting burden from trying to keep up with standards than practitioners whose clients do not use FRSSE.

A fourth group of studies looks at the effect of differing accounting standards on decision making or decision processes of financial statement users. Campbell (1984) used protocol analysis of four bank loan officers to determine whether EPS, deferred income taxes, capitalized leases, and inflation adjusted information in the financial statements of smaller, closely held companies were used in the judgement process. She found little evidence that EPS, deferred income tax, or inflation adjusted information was used by subjects to make lending decisions. However, she did find that capitalized lease information was used in decision-making.

Wilkins and Zimmer (1985) carried out an experiment on corporate loan officers to determine the effect of cost vs. equity reporting of investee companies on lending decision processes. They found that the accounting method did affect the lending decision.

Coker and Hayes (1992) studied the effect of using tax basis accounting versus GAAP on perceptions of bank loan officers. They found evidence that the method
of accounting affected perceptions of risk, usefulness of the report, and the need for additional information.

Baker and Cunningham (1993) looked at the effect of small business accounting bases loan officer decisions. They found that the small business accounting basis (tax basis vs. GAAP) affected the loan offers’ perceptions of the likelihood of default on the loan, their confidence that the financial report reflects the financial position of the requestor, and the perception of the usefulness of the financial report for the loan decision. However, the accounting basis had no significant impact on the loan decision itself.

Ivancevich, Cocc, Ivancevich, and Hermanson (1997) carried out a study of the impact on lending decisions of the use of different accounting approaches in the financial statements of a small business. A sample of loan officers was provided with financial statements of a small business. In one group the statements implemented SFAS 106 (post-retirement benefits) through a one-time charge while in the other group the statements deferred the transitional balance. They found that the loan officers in the first group would make the company eligible to borrow at a significantly lesser amount than the other group. The participants listed the components of the financial statements used to make the decision. The highest proportion of participants indicated the use of balance sheet ratios (debt-equity and current ratio) in this decision.
Study 1

The standard setting process can be thought of as a vehicle through which regulation is supplied. The standard setters must attempt to maximize their welfare while balancing the demands of various interest groups. (Scott, 2003) The standard setting process formally allows for the participation of special interest groups through responding to exposure drafts of proposed standards. The responses of constituents to proposed standards constitutes one form of lobbying available to these groups in order that they may have some influence on standards.

In this study we examine the letters of response to the Accounting Standards Board’s differential reporting exposure draft, and the resultant Assurance Standards Board exposure draft that proposed an adapted audit report for companies using differential reporting. Based on the literature, we predict the following:

- that small practitioners will support the proposed accounting standard
- that lenders will not support it

As larger accounting firms do not have a direct stake in this issue, we do not make a prediction regarding their response.
Method

We obtained and analyzed the public record of letters of response relating to the proposed Differential Reporting standard from the Canadian Institute of Chartered Accountants (and will do the same with the Assurance Standard’s Board audit reporting exposure draft responses when the public record is available).

Some Preliminary Results

Some preliminary results on the Differential Reporting exposure draft responses can be found in Tables 1 and 2.

Insert Tables 1 and 2 about here.

The vast majority of responses to the accounting exposure draft were received from accounting firms that were not national offices of Big 5 firms (68%). Each of the Big 5 firm national offices responded to the exposure draft as well. Eight associations or commissions responded. These were the Institute of Chartered Accountants of Alberta, The Canadian Venture Exchange Inc. (CNDX), Ordre des Comptables Agrées du Quebec, Association for Investment Management and Research, CGA Canada, Office of the Superintendent of Financial Institutions Canada (OSFI), Office of the Institute of Chartered Accountants of British Columbia, Alberta and BC Securities Commission.
Overall the response to the exposure draft was very positive. A large majority (92.3%) of respondents answering the question about whether there was a need for differential reporting, agreed that there is such a need, and most believed it should be part of GAAP. There was less consensus on the criteria for use of differential reporting. Only 53% gave unqualified approval of the suggested criteria (unanimous consent of owners and non-public-accountability). Often the objection related to the need to obtain unanimous consent of the entity’s owners (many respondents thought this was too onerous). There were also some suggestions that small public companies should also be allowed to use differential reporting.

Another somewhat controversial issue was the particular differential reporting options suggested in the exposure draft. Only 52% of those answering this question gave unqualified approval of the set. Several of the respondents expressing reservation about the list did not feel that these companies should be allowed to opt out of interperiod tax allocation. Some also expressed the general concern that differential disclosure was fine but differential measurement was not. A significant minority (24%) of those addressing the comprehensive vs. selective application issue, thought that comprehensive application of differential accounting options should be required, rather than allowing selective applications (which was sometimes referred to as cherry picking).
No lenders responded to the exposure draft. The only response representing financial statement users came from the Association for Investment Management and Research. This association was very much against this proposal.

**Study 2**

The next phase of the research will occur when private businesses have had a chance to implement the standard. At that time we intend to survey non-publicly accountable enterprises about their adoption (non-adoption) of differential reporting standards. This information, together with data on corporate characteristics will allow us to examine the factors that influence a company’s choice to implement these standards. We may also explore the extent to which factors such as decision usefulness, the degree of information asymmetry (and the availability of other mechanisms to mediate the information asymmetry), and the effect of economic consequences affect small business financial reporting in a different way than large company financial reporting.

**Study 3**

Some of the differential reporting options in the Canadian standard have the potential to create significant issues with comparability in financial reporting for small businesses. For example, one private company may choose to apply full GAAP to retractable preferred shares issued for tax planning purposes and thus report them as liabilities. Another company may choose to use differential reporting and present the same type of share as equity. Prior research (e.g.,
Ivancevich et al., 1997) has shown that different reporting of items affecting the debt-equity ratio can affect lenders’ judgements. We believe it would be useful to study, in an experimental setting, whether this non-comparability issue will affect Canadian lenders’ decisions.
References


Table 1: Respondents to Accounting Exposure Draft

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big 5 Firms* – National Office</td>
<td>5</td>
</tr>
<tr>
<td>Other public accounting firms (not national offices of the Big 5)</td>
<td>69</td>
</tr>
<tr>
<td>Preparers</td>
<td>6</td>
</tr>
<tr>
<td>Associations/ Commissions</td>
<td>8</td>
</tr>
<tr>
<td>Academics</td>
<td>2</td>
</tr>
<tr>
<td>Provincial auditor’s offices</td>
<td>1</td>
</tr>
<tr>
<td>Affiliation not discernable</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>

* At the time of the response period for this exposure draft (July – October, 2001), there were still 5.
### Table 2: (Preliminary) Tally of Responses to Questions Posed in the Accounting Exposure Draft

<table>
<thead>
<tr>
<th>Question</th>
<th>Agreement</th>
<th>Agreement with minor qualifications</th>
<th>Disagreement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you agree that there is a need for differential reporting in Canada?</td>
<td>60 (92.3%)</td>
<td>5 (7.7%)</td>
<td>0</td>
<td>65</td>
</tr>
<tr>
<td>2. Do you agree that differential reporting should be considered part of Canadian GAAP?</td>
<td>54(90%)</td>
<td>2(3.3%)</td>
<td>4 (6.7%)</td>
<td>60</td>
</tr>
<tr>
<td>3. Do you agree with the criteria proposed for an enterprise to qualify for differential reporting? In particular, do you support the AcSB’s decision not to restrict access to differential reporting to smaller non-publicly accountable enterprises? Do you support the AcSB’s decision not to give public companies and other entities with public accountability access to differential reporting, including subsidiaries of public enterprises that themselves have no public accountability? If you disagree with the eligibility criteria proposed by the AcSB, please identify the criteria that you believe would be appropriate.</td>
<td>38 (52.8%)</td>
<td>18 (25.0%)</td>
<td>16(22.2%)</td>
<td>72</td>
</tr>
<tr>
<td>4. Is the definition of non-publicly accountable enterprises in paragraph .02 of the proposed new Section, Differential Reporting, appropriate? If you disagree, please identify the type(s) of enterprises you believe should, or should not, be considered as being publicly accountable.</td>
<td>39(72.2%)</td>
<td>11(20.4%)</td>
<td>4(7.4%)</td>
<td>54</td>
</tr>
</tbody>
</table>
5. Do you support selective application of differential reporting options, or, alternatively, should enterprises choosing to adopt differential reporting be required to apply all of the applicable exemptions and alternative treatments? | 45(72.5%) | 2(3.2%) | 15(24.2%) | 62

6. Do you agree with the disclosures required by paragraph .15 of the proposed new Section, Differential Reporting, for all enterprises adopting differential reporting options? | 41(74.5%) | 7(12.7%) | 7(12.7%) | 55

7. Do you agree with each of the proposed differential reporting options? If not, why not? Are there other Accounting Recommendations for which differential reporting options should be developed? If so, please specify the Recommendations and the alternative treatment or treatments you propose, together with supportive arguments, about the costs and benefits of applying the current Recommendations and the proposed alternatives (s). | 34(52.3%) | 27(41.5%) | 4(6.2%) | 65*

Overall response to exposure draft by respondents that did not answer any of the specific questions. | 19(86.4%) | 0(0.0%) | 3(13.6%) | 22

*Note that 27 respondents also suggested additional areas for differential reporting.