



International Accounting Standards Board
30 Cannon Street
London
EC4M 5XH

5 September 2012

Dear Sirs

I am writing on behalf of the British Private Equity and Venture Capital Association ('BVCA') in response to the IASB exposure draft relating to annual improvements with reference to IAS 24 Related Party Disclosures.

The BVCA is the industry body for the UK private equity and venture capital industry. With a membership of over 500 firms, the BVCA represents the vast majority of all UK based private equity firms and their advisers. This submission has been prepared by the BVCA's Legal & Technical committee, which represents the interests of BVCA members in legal, accounting and technical matters relevant to the private equity and venture capital industry.

As major investors in private companies, and some public companies, our members have an interest in financial reporting matters, the conduct and information presented, by such companies and the burdens placed on the management of such companies.

Most of the investments of our members are made in order to receive a return from capital appreciation, income or both over a period of time and in order to facilitate an acceptable return our members may from time to time provide key management personnel services to investees.

We are supportive of the disclosure of fees paid by investees for such services but are concerned that the proposed change in definition of a related party would add other transactions to this disclosure. Therefore, if for instance the management services were provided by a private equity subsidiary of a banking group then the value of all the banking charges, deposits and loans would have to be disclosed which would add to the burden of preparation of accounts without adding much value to the financial statements.

We would therefore request that the clarification of disclosure of service fees be made as a separate specific amendment to existing standards without changing the definition of a related party.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S. Witney', with a large, stylized flourish at the end.

Simon Witney
Chairman, Legal & Technical Committee