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Mr. Hans Hoogervorst, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Via online submission: www.ifrs.org

Subject: DP/2013/1 – Review of Conceptual Framework of Financial Reporting

Dear Sir,

Thank you for the opportunity to to comment on specific matters raised by the board in connection with public discussion of the said document.

The Institute of Professional Accountants of Russia (IPAR) is a largest professional body for accountants in Russia. We strongly support the processes of dissemination of the IFRS and the efforts on international convergence. In our work with IFRS we mainly focus on the task of good understanding of norms of IFRS and sharing of appropriate application practice by the means of educating the accountants that, we believe, is crucial for the quality of financial statements on IFRS, especially in the emerging economies.

Russia has fully adopted the IFRS in the year 2011, with mandatory effect for companies of a public interest starting from the reporting year 2012. And so, it is highly topical for Russian professional community to provide its relevant contribution into the standard setting process.

We welcome the initiative to review of Conceptual Framework in order to align them with modern views, current issues and recently-developed requirements represented in new Standards and Interpretation.

We see that a huge work was done to prepare this Discussion Paper and systematise different opinions and pronouncements. And we highly appreciate such a thorough and accurate approach.

We also understand and foreseen the difficulties that accompany the elaboration and discussion of such a key document, because of a lot of interested parties (including national regulators) that sometimes can have different view on the concepts of financial reporting.

It is indeed a very important step because by this renewed Conceptual Framework will be define the future of financial reporting.

Below, we are pleased to provide our response to the questions posed in the Discussion Paper. If you have any questions regarding this submission, please do not hesitate to contact me.

Yours faithfully,

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Section 1 Introduction

Question 1. *Paragraphs 1.25–1.33 set out the proposed purpose and status of the Conceptual Framework. The IASB's preliminary views are that:*
(a) the primary purpose of the revised Conceptual Framework is to assist the IASB by identifying concepts that it will use consistently when developing and revising IFRSs; and
(b) in rare cases, in order to meet the overall objective of financial reporting, the IASB may decide to issue a new or revised Standard that conflicts with an aspect of the Conceptual Framework. If this happens the IASB would describe the departure from the Conceptual Framework, and the reasons for that departure, in the Basis for Conclusions on that Standard.
Do you agree with these preliminary views? Why or why not?

Response:

(a) According to the Constitution one of the objectives of the IFRS Foundation is to promote and facilitate adoption of IFRSs through the convergence of national accounting standards and IFRSs.

In our view the Conceptual Framework as a basis for development of the IFRSs plays an important role and in such convergence process and is seen as a key document that sets out the fundamentals, encompasses the main modern views and concepts and defines the future of the financial reporting all over the world.

That is why we would not support the proposed revised purpose of the Conceptual Framework that in appearance reduces its status to a "technical" document for internal use of the IASB.

We suppose that existing description of the purpose of the Conceptual Framework corresponds to actual perception of the existing and (even more) revised Conceptual Framework by different users (preparers, auditors, analysts, standard-setters etc.).

(b) We agree with the proposed view that Conceptual Framework should not been regarded as Standard or Interpretation and does not override any specific Standard or Interpretation and that in very rare cases there may be conflicts between the Conceptual Framework and a Standard.

At the same time we do not fully agree with the paragraph 1.22, which states that the IASB will not necessarily change existing Standards for any of the areas discussed in the Conceptual Framework.

In our view the publication of revised Conceptual Framework will automatically raise the need of correspondent changes in all (and specifically the "old") Standards and Interpretation in order to get them in line with the new pronouncements. Of cause, this work should be done within normal due process set out by IFRS Foundation.

Section 2 Elements of financial statements

Question 2. *The definitions of an asset and a liability are discussed in paragraphs 2.6–2.16. The IASB proposes the following definitions:*
(a) an asset is a present economic resource controlled by the entity as a result of past events.
(b) a liability is a present obligation of the entity to transfer an economic resource as a result of past events.
(c) an economic resource is a right, or other source of value, that is capable of producing economic benefits.
Do you agree with these definitions? Why or why not? If you do not agree, what changes do you suggest, and why?

Response:

In general we support the revised definition of an asset, a liability and an economic resource, provided they will be followed with supportive guidance as disclosed in Section 3.

At the same time we have to notice that the structure of revised definitions of an asset and a liability (including all the embedded concepts such as “economic resource”, “control”, “past event”, “unit of account”, etc.) becomes fundamentally different and more complex, that will cause difficulties in understanding and implementation of IFRSs.

__Question 3.__ *Whether uncertainty should play any role in the definitions of an asset and a liability, and in the recognition criteria for assets and liabilities, is discussed in paragraphs 2.17–2.36. The IASB’s preliminary views are that:*
(a) the definitions of assets and liabilities should not retain the notion that an inflow or outflow is ‘expected’. An asset must be capable of producing economic benefits. A liability must be capable of resulting in a transfer of economic resources.
(b) the Conceptual Framework should not set a probability threshold for the rare cases in which it is uncertain whether an asset or a liability exists. If there could be significant uncertainty about whether a particular type of asset or liability exists, the IASB would decide how to deal with that uncertainty when it develops or revises a Standard on that type of asset or liability.
(c) the recognition criteria should not retain the existing reference to probability.
Do you agree? Why or why not? If you do not agree, what do you suggest, and why?

Response:

(a) We agree that the removal the notion of uncertainty and probability from the definitions of an asset and a liability will add objectivity to the process of identification of assets and liabilities.

By the way, in order to enhance the understandability of the Conceptual Framework, we would recommend to distinguish more clearly within the text the three different “operators” (stages of consideration) related to assets and liabilities, that are:

- definitions of an assets and a liability,
- identification whether an assets or a liability exists,
- recognition of asset or liability.

(b) We agree with the proposed view.

(c) In general we agree with the idea of transfer the consideration of uncertainty or probability from the stage of recognition of an asset and a liability to the stage of measurement.

But it must be admitted that the proposed pronouncements contradicts to the current practice of IFRSs implementation and that such changes will lead to further misunderstanding and inconsistencies.

__Question 4.__ *Elements for the statement(s) of profit or loss and OCI (income and expense), statement of cash flows (cash receipts and cash payments) and statement of changes in equity (contributions to equity, distributions of equity and transfers between classes of equity) are briefly discussed in paragraphs 2.37–2.52.*
Do you have any comments on these items? Would it be helpful for the Conceptual Framework to identify them as elements of financial statements?

Response:

We support the intention to develop the definition of mentioned elements of financial statements.

Section 3 Additional guidance to support the asset and liability definitions

Question 5. *Constructive obligations are discussed in paragraphs 3.39–3.62. The discussion considers the possibility of narrowing the definition of a liability to include only obligations that are enforceable by legal or equivalent means. However, the IASB tentatively favours retaining the existing definition, which encompasses both legal and constructive obligations – and adding more guidance to help distinguish constructive obligations from economic compulsion. The guidance would clarify the matters listed in paragraph 3.50.*
Do you agree with this preliminary view? Why or why not?

Response:

We also believe that the definition of a liability should include both legal and constructive obligations.

We do agree that economic compulsion does not necessarily create a liability. Nevertheless we suppose that material cases of expected cash outflows caused by economic compulsion represent relevant information and should be disclosed in the financial statements.

We suppose that additional guidance on identification of constructive obligations at the level of the Conceptual Framework will be helpful for development of corresponding pronouncements in the specific Standards and Interpretations.

Question 6. *The meaning of 'present' in the definition of a liability is discussed in paragraphs 3.63–3.97. A present obligation arises from past events. An obligation can be viewed as having arisen from past events if the amount of the liability will be determined by reference to benefits received, or activities conducted, by the entity before the end of the reporting period. However, it is unclear whether such past events are sufficient to create a present obligation if any requirement to transfer an economic resource remains conditional on the entity's future actions. Three different views on which the IASB could develop guidance for the Conceptual Framework are put forward:*
(a) View 1: a present obligation must have arisen from past events and be strictly unconditional. An entity does not have a present obligation if it could, at least in theory, avoid the transfer through its future actions.
(b) View 2: a present obligation must have arisen from past events and be practically unconditional. An obligation is practically unconditional if the entity does not have the practical ability to avoid the transfer through its future actions.
(c) View 3: a present obligation must have arisen from past events, but may be conditional on the entity's future actions.
The IASB has tentatively rejected View 1. However, it has not reached a preliminary view in favour of View 2 or View 3.
Which of these views (or any other view on when a present obligation comes into existence) do you support? Please give reasons.

Response:

We tend to support the View 2. This approach will enable reasonable identification and recognition of liabilities. Of cause, further guidance is needed to elaborate this approach.

Question 7. *Do you have comments on any of the other guidance proposed in this section to support the asset and liability definitions?*

Response:

We strongly support the inclusion of "the substance over form" concept in the proposed guidance.

I our view there is a need of more elaborated guidance on the definition of control. Because the concept of control is subsequently used for setting out the derecognition criteria. For example, although the principal-agent relations are commonly understandable, there should be more guidance for complex cases in order to provide robust basis for decisions on recognition and derecognition of assets and to prevent inconsistencies in practical application.

We would also recommend to keep more clearly distinction within the text between:

- identification of existing assets or liability and
- recognition of identified asset or liability.

Section 4 Recognition and derecognition

Question 8. *Paragraphs 4.1–4.27 discuss recognition criteria. In the IASB's preliminary view, an entity should recognise all its assets and liabilities, unless the IASB decides when developing or revising a particular Standard that an entity need not, or should not, recognise an asset or a liability because:*
(a) recognising the asset (or the liability) would provide users of financial statements with information that is not relevant, or is not sufficiently relevant to justify the cost; or
(b) no measure of the asset (or the liability) would result in a faithful representation of both the asset (or the liability) and the changes in the asset (or the liability), even if all necessary descriptions and explanations are disclosed.
Do you agree? Why or why not? If you do not agree, what changes do you suggest, and why?

Response:

In general we support the idea that en entity should recognise all existing assets and liabilities with regard to the relevance, faithful representation and costs constrains of the information.

But we also see that the implementation of these criteria in practice will be highly subjective and judgmental (even more then with existing recognition criteria).

What is why we would recommend to provide additional guidance and transitional measures in order to support the new approach for the recognition.

Question 9. *In the IASB's preliminary view, as set out in paragraphs 4.28–4.51, an entity should derecognise an asset or a liability when it no longer meets the recognition criteria. (This is the control approach described in paragraph 4.36(a)). However, if the entity retains a component of an asset or a liability, the IASB should determine when developing or revising particular Standards how the entity would best portray the changes that resulted from the transaction. Possible approaches include:*
(a) enhanced disclosure;
(b) presenting any rights or obligations retained on a line item different from the line item that was used for the original rights or obligations, to highlight the greater concentration of risk; or
(c) continuing to recognise the original asset or liability and treating the proceeds received or paid for the transfer as a loan received or granted.
Do you agree? Why or why not? If you do not agree, what changes do you suggest, and why?

Response:

We agree that in theory all these three variants could be relevant regarding the parameters of changes in configuration of future cash flows in each specific situation. All of these tree variants could be used in further development of specific requirements of Standards and Interpretation. But we would recommend to set out the general principles – when should be used each of these three variants.

Section 5 Definition of equity and distinction between liabilities and equity instruments

Question 10. *The definition of equity, the measurement and presentation of different classes of equity, and how to distinguish liabilities from equity instruments are discussed in paragraphs 5.1–5.59. In the IASB's preliminary view:*

(a) the Conceptual Framework should retain the existing definition of equity as the residual interest in the assets of the entity after deducting all its liabilities.

(b) the Conceptual Framework should state that the IASB should use the definition of a liability to distinguish liabilities from equity instruments. Two consequences of this are:

(i) obligations to issue equity instruments are not liabilities; and

(ii) obligations that will arise only on liquidation of the reporting entity are not liabilities (see paragraph 3.89(a)).

(c) an entity should:

(i) at the end of each reporting period update the measure of each class of equity claim. The IASB would determine when developing or revising particular Standards whether that measure would be a direct measure, or an allocation of total equity.

(ii) recognise updates to those measures in the statement of changes in equity as a transfer of wealth between classes of equity claim.

(d) if an entity has issued no equity instruments, it may be appropriate to treat the most subordinated class of instruments as if it were an equity claim, with suitable disclosure. Identifying whether to use such an approach, and if so, when, would still be a decision for the IASB to take in developing or revising particular Standards.

Do you agree? Why or why not? If you do not agree, what changes do you suggest, and why?

Response:

We substantially agree with the proposed views.

We believe that accurate measurement of different classes of equity and any "wealth transfers" are crucial for users – holders of these different classes of equity. We strongly support that these issues will be lightened at the Conceptual Framework level.

Section 6 Measurement

Question 11. *How the objective of financial reporting and the qualitative characteristics of useful financial information affect measurement is discussed in paragraphs 6.6–6.35. The IASB's preliminary views are that:*

(a) the objective of measurement is to contribute to the faithful representation of relevant information about:

(i) the resources of the entity, claims against the entity and changes in resources and claims; and

(ii) how efficiently and effectively the entity's management and governing board have discharged their responsibilities to use the entity's resources.

(b) a single measurement basis for all assets and liabilities may not provide the most relevant information for users of financial statements;

(c) when selecting the measurement to use for a particular item, the IASB should consider what information that measurement will produce in both the statement of financial position and the statement(s) of profit or loss and OCI;
(d) the relevance of a particular measurement will depend on how investors, creditors and other lenders are likely to assess how an asset or a liability of that type will contribute to future cash flows. Consequently, the selection of a measurement:
(i) for a particular asset should depend on how that asset contributes to future cash flows; and
(ii) for a particular liability should depend on how the entity will settle or fulfil that liability.
(e) the number of different measurements used should be the smallest number necessary to provide relevant information. Unnecessary measurement changes should be avoided and necessary measurement changes should be explained; and
(f) the benefits of a particular measurement to users of financial statements need to be sufficient to justify the cost.
Do you agree with these preliminary views? Why or why not? If you disagree, what alternative approach to deciding how to measure an asset or a liability would you support?

Response:

We agree with the proposed views.

Question 12. *The IASB's preliminary views set out in Question 11 have implications for the subsequent measurement of assets, as discussed in paragraphs 6.73–6.96. The IASB's preliminary views are that:*
(a) if assets contribute indirectly to future cash flows through use or are used in combination with other assets to generate cash flows, cost-based measurements normally provide information that is more relevant and understandable than current market prices.
(b) if assets contribute directly to future cash flows by being sold, a current exit price is likely to be relevant.
(c) if financial assets have insignificant variability in contractual cash flows, and are held for collection, a cost-based measurement is likely to provide relevant information.
(d) if an entity charges for the use of assets, the relevance of a particular measure of those assets will depend on the significance of the individual asset to the entity.
Do you agree with these preliminary views and the proposed guidance in these paragraphs? Why or why not? If you disagree, please describe what alternative approach you would support.

Response:

We agree with the proposed views.

Question 13. *The implications of the IASB's preliminary views for the subsequent measurement of liabilities are discussed in paragraphs 6.97–6.109. The IASB's preliminary views are that:*
(a) cash-flow-based measurements are likely to be the only viable measurement for liabilities without stated terms.
(b) a cost-based measurement will normally provide the most relevant information about:
(i) liabilities that will be settled according to their terms; and
(ii) contractual obligations for services (performance obligations).
(c) current market prices are likely to provide the most relevant information about liabilities that will be transferred.
Do you agree with these preliminary views and the proposed guidance in these paragraphs? Why or why not? If you disagree, please describe what alternative approach you would support.

Response:

We agree with the proposed views.

Question 14. *Paragraph 6.19 states the IASB's preliminary view that for some financial assets and financial liabilities (for example, derivatives), basing measurement on the way in which the asset contributes to future cash flows, or the way in which the liability is settled or fulfilled, may not provide information that is useful when assessing prospects for future cash flows. For example, cost-based information about financial assets that are held for collection or financial liabilities that are settled according to their terms may not provide information that is useful when assessing prospects for future cash flows:*
(a) if the ultimate cash flows are not closely linked to the original cost;
(b) if, because of significant variability in contractual cash flows, cost-based measurement techniques may not work because they would be unable to simply allocate interest payments over the life of such financial assets or financial liabilities; or
(c) if changes in market factors have a disproportionate effect on the value of the asset or the liability (ie the asset or the liability is highly leveraged).
Do you agree with this preliminary view? Why or why not?

Response:

We agree with the proposed views.

Question 15. *Do you have any further comments on the discussion of measurement in this section?*

Response:

We do not have any further comments on this section.

Section 7 Presentation and disclosure

Question 16. *This section sets out the IASB's preliminary views about the scope and content of presentation and disclosure guidance that should be included in the Conceptual Framework. In developing its preliminary views, the IASB has been influenced by two main factors:*
(a) the primary purpose of the Conceptual Framework, which is to assist the IASB in developing and revising Standards (see Section 1); and
(b) other work that the IASB intends to undertake in the area of disclosure (see paragraphs 7.6–7.8), including:

(i) a research project involving IAS 1, IAS 7 and IAS 8, as well as a review of feedback received on the Financial Statement Presentation project;
(ii) amendments to IAS 1; and
(iii) additional guidance or education material on materiality.

Within this context, do you agree with the IASB's preliminary views about the scope and content of guidance that should be included in the Conceptual Framework on:
(a) presentation in the primary financial statements, including:

(i) what the primary financial statements are;
(ii) the objective of primary financial statements;
(iii) classification and aggregation;
(iv) offsetting; and
(v) the relationship between primary financial statements.
(b) disclosure in the notes to the financial statements, including:
(i) the objective of the notes to the financial statements; and

(ii) the scope of the notes to the financial statements, including the types of information and disclosures that are relevant to meet the objective of the notes to the financial statements, forward-looking information and comparative information.

Why or why not? If you think additional guidance is needed, please specify what additional guidance on presentation and disclosure should be included in the Conceptual Framework.

Response:

We welcome the initiative of the IASB to research on improvements in presentation of IFRS financial statements.

In general we agree with the proposed views and support the inclusion of the mentioned subjects in the Conceptual Framework.

At the same time we suppose that these matters should be set out in the Conceptual Framework at a high principle level without grater details.

Question 17. *Paragraph 7.45 describes the IASB's preliminary view that the concept of materiality is clearly described in the existing Conceptual Framework. Consequently, the IASB does not propose to amend, or add to, the guidance in the Conceptual Framework on materiality.*

However, the IASB is considering developing additional guidance or education material on materiality outside of the Conceptual Framework project.

Do you agree with this approach? Why or why not?

Response:

We would welcome if additional guidance on the concept of materiality would be included in the Conceptual Framework. Because, in our view, the materiality is broadly used in practice as the key criteria of relevant information in decisions on identification, recognition of items of financial statements, as well as for disclosure purposes.

However we also support the IASB initiatives on developing additional guidance or education material on materiality.

Question 18. *The form of disclosure requirements, including the IASB's preliminary view that it should consider the communication principles in paragraph 7.50 when it develops or amends disclosure guidance in IFRSs, is discussed in paragraphs 7.48–7.52.*

Do you agree that communication principles should be part of the Conceptual Framework? Why or why not?

If you agree they should be included, do you agree with the communication principles proposed? Why or why not?

Response:

We agree with the proposed communication principles and count them useful.

Section 8 Presentation in the statement of comprehensive income—profit or loss and other comprehensive income

Question 19. *The IASB's preliminary view that the Conceptual Framework should require a total or subtotal for profit or loss is discussed in paragraphs 8.19–8.22.*

Do you agree? Why or why not?

If you do not agree do you think that the IASB should still be able to require a total or subtotal profit or loss when developing or amending Standards?

Response:

We fully agree with the presented arguments and suppose that for correct measure of the reporting entity's performance it is absolutely crucial to show the profit or loss as a separate total or subtotal line-item.

<u>Question 20.</u> *The IASB's preliminary view that the Conceptual Framework should permit or require at least some items of income and expense previously recognised in OCI to be recognised subsequently in profit or loss, ie recycled, is discussed in paragraphs 8.23–8.26.*
Do you agree? Why or why not? If you agree, do you think that all items of income and expense presented in OCI should be recycled into profit or loss? Why or why not?
If you do not agree, how would you address cash flow hedge accounting?

Response:

We agree that some items on OCI may be subsequently recycles into profit or loss. But we believe that there is a need for fundamental and consistent reasoning for such practice, based on the concept of OCI that need to be more elaborated, as discussed further in Conceptual Framework.

So we would recommend to set out clear principles on recycling of OCI into profit or loss.

In our view, the recycling of OCI into profit or loss should serve to the sole purpose – correct measure of the entity's performance for the reporting period.

<u>Question 21.</u> *In this Discussion Paper, two approaches are explored that describe which items could be included in OCI: a narrow approach (Approach 2A described in paragraphs 8.40–8.78) and a broad approach (Approach 2B described in paragraphs 8.79–8.94).*
Which of these approaches do you support, and why?
If you support a different approach, please describe that approach and explain why you believe it is preferable to the approaches described in this Discussion Paper.

Response:

We support the broad approach 2B because, according to our understanding, it enables more fully separate and transfer the items of income and expenses in order to better reflect an entity's performance for a specific reporting period. We believe that including the transitory remeasurements in OCI enhance the relevance of profit and loss.

Section 9 Other issues

<u>Question 22.</u> *Chapters 1 and 3 of the existing Conceptual Framework Paragraphs 9.2–9.22 address the chapters of the existing Conceptual Framework that were published in 2010 and how those chapters treat the concepts of stewardship, reliability and prudence. The IASB will make changes to those chapters if work on the rest of the Conceptual Framework highlights areas that need clarifying or amending. However, the IASB does not intend to fundamentally reconsider the content of those chapters.*
Do you agree with this approach? Please explain your reasons.
If you believe that the IASB should consider changes to those chapters (including how those chapters treat the concepts of stewardship, reliability and prudence), please explain those changes and the reasons for them, and please explain as precisely as possible how they would affect the rest of the Conceptual Framework.

Response:

We suppose that the IASB should consider changes to the mentioned chapters. We would welcome the restoration of the prudence concept as the necessary approach when dealing with uncertainty.

The scope of judgments and accounting estimates constantly increases in the financial statements and, according to our understanding, the reasonable level of prudence enhance the reliability and faithful presentation of reporting information.

We believe that the concept of "prudence" does not contradict to "neutrality" and corresponds to "verifiability".

<u>Question 23.</u> *Business model. The business model concept is discussed in paragraphs 9.23–9.34. This Discussion Paper does not define the business model concept. However, the IASB's preliminary view is that financial statements can be made more relevant if the IASB considers, when developing or revising particular Standards, how an entity conducts its business activities.*
Do you think that the IASB should use the business model concept when it develops or revises particular Standards? Why or why not?
If you agree, in which areas do you think that the business model concept would be helpful?
Should the IASB define 'business model'? Why or why not?
If you think that 'business model' should be defined, how would you define it?

Response:

We support the use of the business model concept in developing and implementation of the IFRSs and the elaboration of this approach at the level of the Conceptual Framework.

We believe that concept of business model should be used when determining the most appropriate methods of accounting and measurements of different items (assets and liabilities) regarding their purpose within the entity and how they will contribute to future cash flows. De facto the existing IFRSs imply the concept of business model.

We do not suppose that it could be identified an exact and limited list of business models. We can just mention for example some of them: long-term investments in equity instruments; long-term investments in debts instruments; operations with risk financial instruments and trade operation with financial instruments; real-estate investments and trade; trade of other non-financial assets (including retail and whole-sales); production of goods; servicing, insurance; reseach, development and production of immaterial assets; agriculture; extracting of mineral recourses, etc.

<u>Question 24.</u> *Unit of account. The unit of account is discussed in paragraphs 9.35–9.41. The IASB's preliminary view is that the unit of account will normally be decided when the IASB develops or revises particular Standards and that, in selecting a unit of account, the IASB should consider the qualitative characteristics of useful financial information.*
Do you agree? Why or why not?

Response:

We agree with the proposed view.

<u>Question 25.</u> *Going concern. Going concern is discussed in paragraphs 9.42–9.44. The IASB has identified three situations in which the going concern assumption is relevant (when measuring assets and liabilities, when identifying liabilities and when disclosing information about the entity).*
Are there any other situations where the going concern assumption might be relevant?

Response:

We agree with the identified situations.

<u>Question 26.</u> *Capital maintenance. Capital maintenance is discussed in paragraphs 9.45–9.54. The IASB plans to include the existing descriptions and the discussion of capital maintenance concepts in the revised Conceptual Framework largely unchanged until such time as a new or revised Standard on accounting for high inflation indicates a need for change.*
Do you agree? Why or why not? Please explain your reasons.

Response:

We agree with the proposed plans. We suppose that capital maintenance in important concept that is relevant in modern economy but, at the same time, is difficult for implementation. What is why we would welcome if this concept will be thoroughly developed and then included in the Conceptual Framework.