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The President

PDC N° 06

Paris, February 5th 2016

Mr Roger MARSHALL

Acting Chairman

EFRAG Board

35 Square de Meeûs

B-1 000 Bruxelles

Re: Exposure Draft ED/2015/10 “Annual Improvements to IFRSs 2014 – 2016 Cycle”

Dear Mr Marshall,

I am writing on behalf of the Autorité des Normes Comptables (ANC) to express our views on the above-mentioned draft comment letter on the Exposure Draft ED/2015/10 “Annual Improvements to IFRSs 2014 – 2016 Cycle”. This view results from ANC’s due process, involving all interested stakeholders.

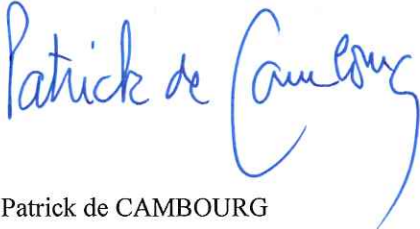
The ANC agrees with the proposed amendments part of the annual improvement process aiming to deal with the following non-urgent matters (i) IFRS 1 First-time Adoption of International Financial Reporting (ii) IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of the disclosure requirements (iii) IAS 28 Investments in Associates and Joint Venture: Measuring investees at fair value through profit or loss on an investment-by-investment basis.

As regards the full retrospective application of IAS 28 annual improvement, ANC supports EFRAG’s comment letter recommending IASB to clarify the transition approach and to clearly specify if the retrospective application aims to allow entities modify their existing investments measurement method when first applying the proposed improvement. In the ANC’s view, the IASB’s proposed modification remains unclear when stating that “... the election is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition”. In the absence of specific transitional provisions the annual improvement shall be applied retroactively in accordance with IAS 8.19(b). Therefore, some considers that such retroactive application might conflict with the “upon initial recognition” criteria. ANC consequently has a doubt as to whether the measurement method’s election shall mandatorily be performed on initial recognition or if it can also be made at transition date (resulting in a retrospective election). ANC believes that such clarification would be helpful and should either be added to the effective date’s paragraph (45E), or mentioned in the Basis of Conclusions as proposed in EFRAG’s draft comment letter.

ANC also believes that the retrospective application of IFRS 12 annual improvement could be simplified while incorporating a practical expedient to exempting comparative disclosures when IFRS 5 assets are disposed of during the transitioning year.

If you want to further discuss, please do not hesitate to contact us.

Yours sincerely,



Patrick de CAMBOURG