

FOCUS

Accounting for revenue: public consultation in-progress

ANC launches a public consultation until 12 November 2019 inclusive on the proposed new regulation related to Revenue accounting.

In 2016, ANC Board decided to start works to complete the amended regulation ANC n° 2014-03 about the national accounting code (*plan comptable général*) in order to introduce provisions specifying accounting rules related to revenue. The current regulation does not provide detailed provisions on this subject.

This project has been drafted by a working group made of all stakeholders.

As the concept of revenue impact all companies which elaborate their accounts under the regulation 2014-03 (*plan comptable général*), ANC Board has decided to launch a public consultation in order to seek opinion from all concerned stakeholders.

Based on the comments received, the definitive regulation will be prepared for approval by ANC Board, publication and entry into force after endorsement by ministerial decree.

The regulation application will be delayed in order to allow the necessary time for its implementation. The date of entry into force will be decided by the ANC Board based on the comments received.

To learn more about the project and to respond to the consultation, click [here](#).

Achievements

Regulations and positions adopted by ANC's Board during the 1st semester

ANC Board adopted during the first semester 2019 the following regulations and positions:

- ▶ Regulation ANC n° 2019-01 dated 8 February 2019 amending the National accounting code (Plan Comptable Général) about the accounting rules for agricultural activity (upcoming official publication) ;
- ▶ Regulation ANC n° 2019-02 dated 7 June 2019 amending the National accounting code about the financial statements of medium-size undertakings (upcoming official publication) ;
- ▶ Regulation ANC n° 2019-03 dated 5 July 2019 on approved organisations for the funding of the vocational training (upcoming official publication) ;
- ▶ Comment letter on IFRS-IC tentative decisions in November 2018;
- ▶ Comment letter to EFRAG and IASB on ED 2018/1 on ED 2018/2 amending IAS37 definition of onerous contracts;
- ▶ Comment letter to EFRAG's research paper related to "Non-exchange transfers " ;
- ▶ Drafts for discussion on IFRS 17 sent to EFRAG and IASB in May 2019 on the following topics: acquisition cash flows, balance sheet presentation, contractual service margin, level of aggregation, reinsurance contracts and transition ;
- ▶ Comment letter to EFRAG and IASB on 2019/1 on proposed amendments to IAS 39 and IFRS 9 related to Interest rate benchmark reform ;
- ▶ ANC answers to the EFRAG's consultation on the IFRS 9 measurement of equity instruments and long term investment.

In addition, ANC Board stated on 8 February that the notices of compliance previously given to sectoral charts of accounts by the *Conseil national de la comptabilité* are no longer valid.

September 2019

Olivier Schérer has been appointed EFRAG TEG member replacing Isabelle Grauer-Gaynor who joins ESMA

9th Symposium on Accounting Research

Thursday December 19 2019

Accounting and long-term
[Register here](#)

Participations in conferences

- ▶ 03/09 : Unesco « Comptabilité Ecologique »
- ▶ 04/09 : conférence CNAM
- ▶ 11/09 : PRI in Person 2019
- ▶ 17/09 : EIFR
- ▶ 26/09 : IMA France
- ▶ 30/09 : Orée « Tribunal des générations futures »
- ▶ 10/10 : SFAF Conférence
- ▶ 29/10 : ISAR Genève
- ▶ 7 /11 : WICI Bruxelles
- ▶ 22/11 :Nanterre University

EFRAG calls for **EFRAG TEG applicants** for the 2020 rotation

France :

CNP:	19September-17October 21November-12December 23 January
CNI :	5 September-15October 19November-10December 14 January
Collège:	6 September-11 October 8 November-6 December 10 January

International :

10 September	EFRAG Board
16-17 September	EFRAG TEG
24 September	EFRAG Board
25-26 September	EFRAG TEG
30 September	WSS in London
1-2 October	IFASS in London
3 October	ASAF in London
8 October	EFRAG Board
5-6 November	EFRAG TEG
13 November	EFRAG Board
4-5 December	EFRAG TEG
18 December	EFRAG Board
16-17 December	ASAF in London



Focus on : regulation of the the new entities in charge of the French professional training scheme

The law dated 5 September 2018 “For the freedom to choose one’s professional future” contains a new definition of the role of professional training actors and a rationalisation of the sector governance with the creation of a national public institution, France Compétences. In April 2019, eleven organisations for the funding of the vocational training (named OPCO) were approved. They replace the accredited fund collecting and distributing organisations (OPCA). OPCOs’ missions include funding apprenticeships and traineeships, helping professional sectors to create professional certificates and assisting SMEs in defining their training needs.

ANC Board has approved on 5 July 2019 the regulation n° 2019-03 related to the annual accounts of these entities. The OPCOs use the accounting rules of private-law non-for-profit entities (regulation ANC n° 2018-06) with some adjustments. Thus, they prepare an income statement by segment allowing to monitor the incomes and expenses of each of their missions. This regulation also provides details on the accounting treatment of training expenses. These expenses are now recorded in P&L as the date of the commitment to finance the related training.

This regulation is mandatory for the first accounts of OPCO as from 1 January 2019, and replaces the one for OPCAs (Regulation 2015-06).

The regulation and its presentation note are available on ANC website [here](#)



Focus on : Long term, answer to EFRAG and topic for the next Symposium on accounting research

Following last year report of the European High Level Expert Group on sustainable finance, the European commission mandated EFRAG on whether IFRS 9 (Financial instruments properly reflects the business model of long-term investment in equity as well as through shares in investments funds (see Newsletter n°3).

According to IFRS 9, equity investments are measured at fair value and the changes in value are recorded on option either in P&L or in OCI. Measuring at fair value through P&L reflects quite well trading activities, but this is not necessarily the case for longer term activities for which it generates volatility in the P&L. On the other hand, opting for OCI will prevent from future recycling in P&L even when assets are disposed of. This is justified in the standard by the lack of an impairment model for equity investments. In addition, IFRS 9 requires the shares in equity investments funds (“equity-type”) be measured at fair value through P&L disregarding the nature of the underlying investments held or the business model of the holder.

ANC considers that these accounting treatments raise critical concerns and should be revised. In this context, ANC proposes (i) to introduce mandatory recycling of OCI, (ii) suggesting several impairment models (with reversal), which, even if rules-based, would improve the current situation. In addition, (iii) the accounting solutions retained for equity investments should also be offered to equity-type. This would prevent from accounting equity investment differently depending on whether they are held directly or indirectly. In order not to unduly embed certain derivatives, such an accounting would however be subject to a test similar to the current IFRS9 test on debt instruments. Lastly, (iv) in some particular cases, some specific accounting models could also be considered : for example, when a portfolio of assets is dedicated to covering long-term commitments (such as decommissioning liabilities) or in case of strategic investments.

The [symposium](#) on accounting research next December 19 will continue to contribute to this debate, specially on how the accounting rules can take the long-term views by identifying their characteristics and the related challenges.



Focus on : Research projects –2019

Within the framework of proactive reflections on future accounting debates, ANC has wished this year to encourage academic professors to initiate accounting research works on the following themes: accounting for taxes, accounting impacts of digital activities, studies on implementation of IFRS 16, possible methodologies for impact assessment evaluation, the concept of neutrality and the impact investing.

Following the call for projects launched last March 2019, 9 projects have been received by June 11, deadline for submission. The selection committee met on July 4 and has chosen 5 projects, which results are expected between end of 2020 to mid 2019 to end of 2021.

1. *Quantitative study on IFRS 16 implementation – research led by Eric Tort and François Lantin*
2. *Qualitative study on IFRS 16 implementation– research led by Mohamed Hamadi*
3. *Towards a new understanding of the concept of neutrality in accounting: necessary thoughts for the development of dialogical accounting – research led by Marie-Anne Verdier*
4. *Literature review on concept of neutrality in accounting – research led by Grégory Heem*
5. *Measurement and definition of the extra-financial impacts of investments : feedback Impact Investing’s theories and practices of and potential benefit from accounting – research led by Alexandre Rambaud*

If you wish to inform us of your specific research projects outside these subjects and outside the dedicated periods of calls for projects, do not hesitate to contact us for all projects which may be useful for standard setting.