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Paris, the 4 April 2014

Chairman
JH/
n° 10

Mr Hans HOOGERVORST

Chairman
IASB

30 Cannon Street
LONDON EC4M 6XH
UNITED KINGDOM

Re: Exposure Draft ED/2013/11 - Annual improvements to IFRSs – 2012-2014 Cycle

Dear Mr Hoogervorst,

I am writing on behalf of the Autorité des Normes Comptables (ANC) to express our views on the above-mentioned exposure draft.

The ANC approves the IASB's initiative of issuing each year an Exposure Draft of proposed minor changes to existing IFRS in order to enhance the quality of the standards.

We believe that the proposed amendments to IFRS 5, IFRS 7 and IAS 34 improve the relevance of these standards and we are supportive of them, subject to some clarifications explained in the Appendix.

Important concerns on the proposed amendments to IAS 19

The ANC supports the IASB's intention to develop guidance to determine the discount rate to be applied by countries where there is no deep market in high quality corporate bonds, when they use the same currency as other countries.

However, we have several concerns about the usefulness and relevance of the proposed amendments to paragraph 83 of IAS 19.

We consider that the proposal is not clearly motivated and that its impacts have not been assessed, which impairs a proper assessment about the usefulness and the relevance of the proposed amendments.

Moreover, we have specific concerns about the application of the amendments in a comparable and sensible way, which need to be addressed and clarified.

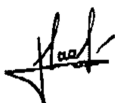
We believe that such a complex issue would have deserved deeper investigations and be part of a broader research project aimed to providing guidance to determine the discount rules of post-employment benefit obligations. We think that the annual improvements process is not appropriate to deal with this specific issue.

Therefore, while we understand the need to provide additional guidance in selecting and using a discount rate when a deep market of high-quality corporate bonds does not exist, the ANC is, at this stage, not supportive of the proposed amendments to IAS 19.

Our detailed responses to the questions in the ED are set out in the Appendix.

If you have any questions concerning our comments, we would be pleased to discuss them.

Yours sincerely,

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

Jérôme HAAS

Cc: Mr Scott Evans (Chairman of the Due Process Oversight Committee)

Appendix – Invitation to comment

Question 1 – Proposed amendments

*Do you agree with the IASB’s proposal to amend the Standards as described in the Exposure Draft?
If not, why and what alternative do you propose?*

Question 2 – Transition provisions and effective date

*Do you agree with the proposed transition provisions and effective date for the issue as described in the Exposure Draft?
If not, why and what alternative do you propose?*

Answers to questions 1 and 2

1- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* - Change in methods of disposal

The ANC supports this amendment as it addresses a lack of guidance in IFRS 5 and provides a useful clarification.

However, we have concerns about the first application of the proposed amendments.

We do not believe that they should be applied fully prospectively, whatever the case.

We consider that, when the asset, which disposal plans have been previously changed, has been already sold or distributed at the date of the amendments’ first application, the entity should not apply the amendments retrospectively.

On the other hand, we believe that when the asset has not been distributed or sold, the entity is able to apply retrospectively the reclassification and measurement of the asset held for sale or distribution, and should have to do so because it provides better information.

We believe that the IASB should address this issue and provide more precise guidance.

2- IFRS 7 *Financial Instruments : Disclosure - Servicing contracts*

The ANC agrees that this issue required clarification and that the amendments improve the understandability and reliability of disclosures on servicing contracts.

However, we note that the term “continuing involvement” is not used in the same sense in IFRS 7 and IAS 39 and that it would be useful to clarify these terms.

The ANC agrees with the proposed transitional requirements.

3- IFRS 7 *Financial Instruments : Disclosure – Applicability of the amendments to IFRS 7 to condensed interim financial statements*

The ANC agrees that this issue required clarification and that the amendments avoid burdensome disclosures which are not useful for users.

The ANC agrees with the retrospective application of the amendments.

4- IAS 19 *Employee Benefits* – Discount rate : regional market issue

We support the IASB's intention to develop guidance to determine the discount rate to be applied by countries where there is no deep market in high quality corporate bonds, when they use the same currency as other countries.

However, the ANC has several concerns about the usefulness and relevance of the proposed amendments.

Whilst the amendments seem to be simple and logical, we consider that such a complex issue would have deserved deeper investigations:

- It is unclear whether entities operating in a jurisdiction where a deep high-quality corporate bond market exists will be required to use blended rates defined at currency level when they use the same currency as other countries in the same economic area (e.g. Euro zone).
- It is unclear whether entities of a group that operates in a single currency area should use the same blended discount rate, when they are located in different jurisdictions.
- When several countries belonging to an economic zone use the same currency, this currency being also used for bonds emissions from outside the economic zone (e.g. US \$), it is unclear whether entities operating in the economic zone will be allowed or required to use a basket including bonds emitted by companies located outside their economic zone or not.

In addition, we consider that the Basis for Conclusions of the Exposure draft do not motivate the decision nor assess its impacts. We noted that the IFRS-IC had carried out an analysis of the High Quality Corporate Bonds meanings, with a pro and con analysis of two notions (relative and absolute concept) and we believe that the IASB should explain the rationale and motivate its decision in the same fashion. As no impact survey has been made, it is very difficult to properly assess the usefulness and the relevance of such amendments inside the different currency zones, (e.g. Euro zone, US \$ zone, GBP zone ...) compared to the actual standard.

We consider that such a deep issue, involving major potential impacts, cannot be part of annual improvements, but should be included into a broader research project aimed to providing guidance to determine the discount rules of post-employment benefit obligations.

Therefore, while we understand the need to provide additional guidance in selecting and using a discount rate when a deep market of high-quality corporate bonds does not exist, the ANC is, at this stage, not supportive of the proposed amendments to IAS 19.

5- IAS 34 *Interim Financial Reporting* – Disclosure of information “elsewhere in the interim financial report”

The ANC agrees that the amendments provide a useful clarification of IAS 34 requirements and will result in more useful information to users.

However, we believe that additional guidance is needed to completely achieve this goal.