



The ANC publishes its strategic plan

Contribute to staging a “centre of gravity” in the debate about accounting standards

Paris, Monday 26th July 2010-The “Autorité des Normes Comptables” (ANC), an organisation created by law 6 months ago, at the initiative of Madame Lagarde, to represent France in Europe and on the international scene and set accounting standards in France, publishes its strategic plan.

Following a series of consultations in France and at international level, Jérôme Haas, the president, wishes to clarify the issues at stake in the debate on accounting standards and reconsider certain widespread beliefs. In the name of the ANC, he asserts forcefully the robustness and consistency of French and European accounting law, which is very instructive when tracing perspectives for standard setting. Whilst the future of IFRS is a current issue, whilst the debate is still open in respect of lessons to be learnt from the financial crisis, and at a time when Europe is still looking for the best accounting standards, in particular for SMEs, the ANC sees its role as making constructive proposals.

The strategic plan of the ANC covers 2010 and 2011, a timeframe dictated by the rapidity of current change, has three levels:

- **The development** of the French standard-setting model and the promotion of European specificity.
Firstly Europe has inherited the accounting standards which are the oldest and the most robust and essential for all entities and their partners. Europe is also a forerunner, as the first economic region to take the risk of adopting the most recent international standards for listed entities. The ANC wishes to build a coherent and stable project on this specificity, which is a strength, and contribute to the staging of a “fair” centre of gravity, where national, regional, and worldwide accounting standards co-exist in harmony, and which French economic actors feel at home with;
- **Important medium term projects:** the updating of the French chart of accounts and where necessary its modernization; an innovating external research policy. In this way the ANC wishes to enable the French university world, too rarely consulted in the standard-setting process, to take part in the global debate on standards;
- **Proposals operational in the short term:**
 - The ANC considers that SMEs should be provided with accounting standards that are simple, reliable and lasting. That supposes keeping the two existing “roads,” IFRS and French GAAP- each with its own vocation, useful respectively for listed entities (for their consolidated financial statements) and for unlisted entities- as well as the possibility of changing “roads”, open to entities according to their situation.
The ANC therefore calls for European standards to move in this direction, without changing their nature which ensures consistency between accounting, law and taxation and without the complication of introducing a third set of accounting principles. Its concrete proposals include: adapting IFRS for small listed entities, in line with Madame Lagarde's proposals, by simplifying disclosures.
 - IFRS portray entities from the viewpoint of international financial markets which, according to many interpretations, are supposed to be mainly concerned with instant valuations: but the ANC considers that IFRS should not go too far in this direction and that on the contrary they should continue to enable the realistic representation of the business models of entities in the perspective of their medium term development.



The ANC will take clear positions on current projects so that the technical lessons from the financial crisis will be drawn in respect of accounting for financial instruments, in the sense required by the G20 and the EU. The ANC would like an in-depth examination of the IASB work plan to be carried out in order to improve the identification of needs and ensure the quality and financial security of the standards. Several priority projects have been identified: financial instruments, anti-cyclic provisions, hedging, insurance contracts, the presentation of financial statements, revenue recognition, leases.

The ANC is also ready to take part in the study of a more balanced governance model for the IASB, in particular with greater diversity within the Board, so that the views of all stakeholders are represented and that there is accountability in respect of the latter in the public interest.

In the ANC's view, accounting standard-setting today must consider public interest by satisfying global objective economic requirements by providing tools that are robust, simple and adapted to the real economy whilst contributing to financial security. In order to achieve this, Europe offers an exceptional model and can act as a federator for a global project, with a "centre of gravity" which the ANC wishes to help create.

The "Autorité des Normes Comptables" in brief

Founded by ordinance number 2009-79 of 22nd January 2009, successor of the "Conseil National de la Comptabilité" (CNC), "l'Autorité des Normes Comptables" (ANC) sets standards in the form of accounting regulations for the private sector; it takes position on international accounting standards as part of their development process; it has a coordination role for work carried out on accounting theory and methodology. The ANC comprises a board of 16 members with financial and accounting expertise, representing a broad spectrum of points of view. Two commissions, made up of recognized experts, are responsible for issues relating respectively to national and international standards. Several dozen working groups develop technical positions and report back to the commissions, which present drafts to the board. A great variety of technical experience, drawn from the French economic tissue as a whole, is mobilized in order to develop French accounting standards and technical positions. The ANC is also supported by staff departments composed of specialists from the private and public sectors with complementary profiles. www.anc.gouv.fr

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