



Association pour la participation des  
entreprises françaises à l'harmonisation  
comptable internationale



## A F E P

### Association Française des Entreprises Privées

IASB  
30 Cannon Street  
London EC4M 6XH  
UK

Paris, August 28, 2009

Re: *Request for information – the expected loss model for impairment of financial assets*

We welcome the opportunity to provide some views on the potential implementation difficulties an expected loss model for impairment of financial assets would trigger.

Introductory comments to the request for information outline that the expected loss model for impairment would apply to all financial assets carried at amortised cost. Description of the model indicates nonetheless impacts the model would have on “interest revenue”. We therefore wonder whether the Board is contemplating *all* financial assets carried at amortised cost, i.e. including commercial receivables of short duration, for which no interest revenue is accounted for. We believe that those commercial receivables should all be scoped out of the expected loss model, on the grounds that the incurred loss model works well as a proxy of the expected loss model, because of the short duration. The expected loss model would indeed create major implementation difficulties that are not justified in our view by any significant change and improvement in financial reporting. Moreover such a model could call for quite subjective estimates and hence lessen the confidence that users would have in IFRS compliant financial reporting.

We have considered implications for the banking sector also. We believe that implementation difficulties and costs have been described accurately and comprehensively in the presentation made by BNPParibas to the IASB on June 15, 2009. We refer the Board to this presentation, without repeating it in this letter.

Should you wish any supplementary comment or explanation, please do not hesitate to contact us.

ACTEO

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