



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



IASB
30 Cannon Street
London EC4M 6XH
UK

Paris, 16 January 2015

Dear Mr Hoogervorst,

Re: DP 2014 Reporting the Financial effects of Rate Regulation

We are pleased to comment upon the Discussion paper DP/2014/2 "Reporting the financial effects of Rate Regulation" (the DP).

We welcome the fact that the IASB is reconsidering this issue, especially since the publication of IFRS 14 which has created a strong and damaging asymmetry between preparers. Although extensive disclosures are required in an attempt to overcome these accounting differences, this does not solve the problem of a performance displayed on the primary financial statements which is not comparable between entities.

We agree that the IASB must proceed methodically to address this issue and thus limiting the first analysis to what is defined in the DP as "defined rate regulation" seems an appropriate starting point. This helps towards a better understanding of the mechanisms of a "pure regulation schema" and identification of the appropriate accounting treatment. Once the accounting schemas have been defined, it will be easier to see how other rate-regulated regimes could benefit from them.

Regarding the accounting model, we believe that in an accounting framework based on principles and whose new conceptual framework will highlight the role of the business model, an "activity-specific" standard should not be needed in order to reflect the economic substance of this environment and these transactions. Indeed, with a robust definition of assets and liabilities whose recognition and measurement are based on the business model and through the application of the existing standard that addresses revenue recognition, we believe that it should not be necessary to develop a specific

standard. If this were the case, we would argue that the conceptual framework and the general principles of the current framework are not sufficiently robust to depict the substance of all transactions.

We therefore encourage the Board to continue its work on identifying the enforceable rights and obligations arising from this environment, working on the appropriate unit of account and exploring the current and future conceptual framework in order to develop an accounting model that will best reflect the reality of the rate-regulated performance.

Please do not hesitate to contact us if you require any further information or explanation.

Yours sincerely,

ACTEO

Patrice MARTEAU
Chairman



AFEP

François SOULMAGNON
Director General



MEDEF

Agnès LEPINAY
Director of economic
and financial affairs

