



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



IASB  
30 Cannon Street  
London EC4M 6XH  
UK

Paris, 15 September 2014

Dear Mr Hoogervorst,

**Re: ED 2014 Investment Entities–Applying the Consolidation Exception (Proposed amendments to IFRS 10 and IAS 28)**

We are pleased to respond to the exposure draft ED/2014/2 “Investment Entities: Applying the Consolidation Exception” (the ED).

While we have no particular comment about the first two proposals, we would like to express our concern about the third.

When drafting IFRS11 the IASB decided that both joint ventures and associates should be accounted for using the same method. Although we believe that a joint venture and an associate do not share the same characteristics and consequently were opposed to the withdrawal of the proportionate consolidation method for the former, we think that the Board should now be consistent with its previous decision and should not promote differentiation of treatment, particularly as this appears to be mainly motivated by the concern to prevent perceived opportunities for abuse.

As we have stated several times in previous comment letters, accounting should not be driven by such concerns but by the objective of achieving the best representation of the transaction. We therefore disagree with the idea expressed in the ED that two different treatments should be applied to joint ventures and associates in the context of Investment Entities.

Furthermore, and above all, we believe that if fair-value measurement provided the most useful information at the investment entity level (whether it is a subsidiary, a joint venture or an associate), it is also relevant at the group level. Consequently, maintaining fair-value accounting at the consolidated level should be the only method acceptable, whether the parent is an investment entity or not. Groups today have mixed business models, and financial reporting should reflect this fact, instead of eliminating it.

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

