



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



IASB  
30 Cannon Street  
London EC4M 6XH  
UK

April 2, 2015

Dear Mr Hoogervorst,

**Re: ED/2014/6 Disclosure Initiative (Amendments to IAS 7)**

We are pleased to have the opportunity to respond to the exposure draft Disclosure Initiative - Proposed amendments to IAS 7 (the ED).

With regard to the first amendment proposed, we agree that a reconciliation of items for which cash flows have been (or would be) presented as financing activities may help users to understand better movements in debt net during the period, without triggering significant costs for preparers, since such information is often already provided on a voluntary basis, either in the notes or elsewhere in the financial reporting package. We believe that for most entities such information will help users by providing a clear link between the statement of cash flows and the balance-sheet movements. We also welcome the fact that the IASB has not attempted to define "net debt" as this would have been a much more difficult and time-consuming topic for which a consensus might not have been easily found.

However, we would like to draw the Board's attention to the fact that the notion of net debt is meaningless for financial institutions, as is indeed the existing statement of cash flows. We think the IASB should consider removing the requirement of conformity with the current IAS 7 model for those institutions.

Concerning the second proposed amendment, we are very skeptical about its real ability to improve financial reporting. There are currently several similar requirements in the IFRS standards (IAS 7 paragraph 48 & following; IFRS 12 paragraph 13 and following; IFRS 7 paragraph 33) that all attempt to provide information about liquidity and the associated risks. We believe that the IASB should work on this issue in a more comprehensive manner through the POD project, in order to understand fully

what information related to liquidity is really useful for users, and to avoid duplication within the financial reporting package as a whole or even just within the notes to financial reporting. As things stand, the proposed amendments do not sufficiently improve information beyond the disclosures already required in IFRSs.

Concerning transition provisions, we believe that the Board should be more specific. In the basis for conclusions (§ BC17), it is proposed that the amendments should be applied “prospectively from its effective date”. In our understanding of the general meaning of prospective application, we would deduce that the new information will be required only for the transition year, without having to provide the same information for the comparative period. However, in the core standard, in § 59, there is no mention of a prospective application. This presumably means that a “retroactive” application should be applied and therefore information for the comparative period is required.

Finally, we note that the IASB is also asking for comments about the changes to the IFRS taxonomy induced by the proposed amendments. While we recognise that it is efficient to update the taxonomy in parallel with the accounting standards, we are quite concerned about integrating the IFRS taxonomy into the IASB standard setting process as we believe that it should be kept as a separate activity. We think that there is a risk that the development of the taxonomy might otherwise ultimately drive the accounting model rather than be a mere tool to facilitate the use of the financial statements.

If you have any questions or need for further information, please do not hesitate to contact us.

Yours sincerely,

ACTEO

Patrice MARTEAU  
Chairman



AFEP

François SOULMAGNON  
Director General



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Agnès LEPINAY  
Director of economic  
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