



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

The Chairman of the IASB,
Columbus Building,
7 Westferry Circus,
Canary Wharf,
London E14 4HD,
United Kingdom.

30 December 2020

Dear Mr. Hoogervorst,

**Ref: IFRS Taxonomy 2020—Proposed Update 4 General Improvements and Common Practice—
Presentation of information in primary financial statements**

This is the first year that French entities will have to use the IFRS taxonomy as a consequence of the new ESEF regulation. For this reason, this year we are paying very special attention to this project to amend the IFRS's taxonomy.

Please find below our main comments on your proposals.

1. General comments

We are generally opposed to any proposals that would force companies to tag elements that they do not present in the primary financial statements as communicated to the market. We are therefore opposed to "double tagging" proposals as for EPS and for OCI elements before and after recycling.

We note numerous amendments made to the "guidance labels" and which indeed seem to us to be very useful to enable one to use the concepts wisely. However, although we have ready access to the "documentation labels", we were not aware of these "guidance label" matters; it would be very helpful if they were easily accessible on the IASB portal.

We also note that many "monetary" concepts still do not have an balance "element property". This leads to some difficulties of use and perhaps some errors in the calculation rules. Among the 2662 monetary concepts, the taxonomy includes 208 concepts that do not have a credit/debit balance element property. We therefore suggest that the IASB re-examine the

whole of the taxonomy to ensure that each concept that needs such attribute is appropriately defined.

In the same vein, we note that some concepts need “opening and closing presentation labels” that are not available. It is the case, for example, for “CashAndCashEquivalentsIfDifferentFromStatementOfFinancialPosition » which, like the concept of cash & cash equivalents, would benefit from two separate presentation labels. Our comments are not exhaustive on this subject but the IASB should re-evaluate the needs in this area.

2. New concepts proposed by the IASB and needs for new concepts

We welcome the creation of new concepts for “Retained earnings, excluding profit (loss) for reporting period” and “Retained earnings, profit (loss) for reporting period” for both the statement of financial position and the statement of changes in equity. In this last statement, it would be therefore useful to create an additional concept to highlight the appropriation of the profit (loss) for the reporting period, which is often disclosed as a separate line in this statement.

In addition, concerning the changes that we would like to see made in connection with practices widely observed, we submit requests for the following additional items:

- Current operating expenses / current operating incomes
- Non-current operating expenses / non-current operating income
- Current operating profit(loss)
- Net financing expenses (revenues) (net of revenue from investments associated with the financing activity)
- Net financial result (total of the whole financial category)

These are indeed line items commonly used by French issuers and are even proposed in the models of financial statements recommended by our national standard setter, which are compliant with current IFRS standards. Current operating profit (loss) and net financial result are particularly widespread concepts, and it would be therefore more relevant and enhance comparability if the taxonomy were to make them available as “official items” rather than forcing entities to create extensions.

Finally, concerning the statement of Changes in Equity and the impact of transition to new or amended standards, although the IASB proposes several useful changes, it does not call into question the matrix architecture of these disclosures. However, today, the most common practice is to present these impacts as a separate line in the table of changes in equity like any other change for the period. Creating "line" items in the equity table would allow the architecture chosen by issuers to be respected, without their having to create "additional members" as is currently needed.

If you have any questions about our responses to the questions, please do not hesitate to contact us.

Yours sincerely,

ACTEO

Lise CHORQUES

A handwritten signature in blue ink, appearing to be 'Lise', written in a cursive style.