



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



## A F E P

### Association Française des Entreprises Privées

Mr. R Garnett,  
Chairman IFRS Interpretations Committee,  
30 Cannon Street,  
London EC4M 6XH

Dear Mr. Garnett,

**Re: Tentative IFRIC Agenda Decision –IAS 32 Financial Instruments - Put options  
written over non-controlling Interests (NCI puts)**

This issue arises because of an apparent inconsistency between different standards and it is therefore not a matter of interpretation alone. We agree with the IFRIC Interpretations Committee that the accounting for put options written over non-controlling Interests is such a complex issue that it needs a comprehensive analysis to be carried out by the IASB. Moreover, subsequent measurement is not the only concern that should be addressed by the IASB concerning NCI put options.

However, we are very concerned with the way the rejection notice has been drafted. We believe that the wording of this rejection should be amended and restricted to an explanation of the existing conflict without focusing in an unbalanced way on only one of the standards involved. In our view, the proposed wording is in effect an interpretation which prematurely concludes that IAS 32 and 39 prevail over IAS 27R, whereas no valid consensus was actually reached during the Committee's deliberations. We do not think that this is appropriate.

Finally, we agree with the observation that the guidance in IAS 1 should be applied by entities in determining what information to present on NCI puts.


ACTEO

  
Patrice MARTEAU  
Chairman

AFEP

  
Alexandre TESSIER  
Director General

MEDEF

  
Agnès LEPINAY  
Director of economic  
and financial affairs