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Madrid, 25 November, 2010

*To the attention of Françoise Flores, Chairman*

**Re: Comments on Exposure Draft Leases**

Dear Sirs,

Anged appreciate the opportunity to provide you with our comments on Exposure Draft ED/2010/9, *Leases* (the "ED") published by the International Accounting Standards Board (IASB) in August 2010 and your draft comment letter on ED Leases published in September 2010.

Anged (Asociación Nacional de Grandes Empresas de Distribución) is a retail business organisation integrated by the most important companies of the sector: Aki Bricolage, Alcampo, Aldeasa, Apple Retail, Bricoman, C & A, Carrefour, Conforama, Cortefiel, El Corte Inglés, Eroski, Fnac, Hipercor, Ikea, Leroy Merlin, Media Markt and Toys "R" Us. Our main mission is to represent and defend the companies' interests in front of the Spanish and European Institutions. In 2009 the turnover of our members was 39.117 Mill. € with 236.275 employees.

We strongly supports the efforts of the European Financial Reporting Advisory Group (EFRAG) and the IASB, to improve International Financial Reporting Standards, in order to provide users of financial statements with information which is of better quality and of greater relevance, thereby aiding comparability.

The existing accounting model for leases has long been criticised for failing to meet the needs of users of financial statements. Therefore, we support the decision to develop an accounting model to replace the existing IAS 17. However, we are not convinced that some of the proposals included in the ED offer an effective improvement in comparability or provide additional relevant information to the users of financial statements.

In general terms, we would like to express our agreement with most of the statements included in your draft comment letter on ED Leases. Additionally, in order to cooperate in improving the aforementioned standard prior to its definitive issue we wish to manifest to you our concerns regarding certain aspects of the aforementioned ED which, in our opinion, may

not be consistent with the conceptual framework established by the IASB itself and, in particular, we wish to emphasise the new features that we consider give rise to most concern due to their potential impact on financial statements and on the work to be performed by entities in applying the standard.

Notwithstanding the foregoing, we consider that certain amendments to the ED could give rise to a standard that equally meets the needs of the various users of the financial information, which would be easier to implement for the reporting entities and which would reduce income statement volatility (unjustified from our standpoint) that could arise as a result of the current wording of the ED.

The IASB has received many comment letters on ED Leases and arranged meetings with companies due to concerns regarding the new standard. We believe that the IASB should further develop and perform field tests on all the concerns, suggestions, and its own considerations, so more time is required to make the final standard robust and ensure that it is supported by all the users of financial statements.

You will find enclosed our comments on Exposure Draft and EFRAG's draft response to ED as well as the response to the questions raised in the EFRAG's draft comment letter on ED leases.

We would be pleased to discuss our comments or answer any questions that the Technical Expert Group may have. Please contact our Secretary General, Fernando Olascoaga, or myself (+34915223004; [anged@anged.es](mailto:anged@anged.es))

Yours faithfully,



Javier Millán-Astray

General Manager

