

Exposure Draft Acquisition of an Interest in a Joint Operation

Question 1: relevant principles

The IASB proposes to amend IFRS 11 and IFRS 1 so that a joint operator accounting for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business applies the relevant principles on business combinations accounting in IFRS 3 and other Standards, and discloses the relevant information required by those Standards for business combinations.

Do you agree with the proposed amendment? Why or why not? If not, what alternative do you propose?

We agree with EFRAG that considerable judgment could be required in practice to distinguish a joint operation from a joint venture, given the complex interaction between the definition of a joint operation and that of a business in IFRS 3.

Question 2: scope

The IASB intends to apply the proposed amendment to IFRS 11 and the proposed consequential amendment to IFRS 1 to the acquisition of an interest in a joint operation on its formation. However, it should not apply if no existing business is contributed to the joint operation on its formation.

Do you agree with the proposed amendment? Why or why not? If not, what alternative do you propose?

We share the concerns of EFRAG that the ED doesn't address the issues in a comprehensive way and may rise other issues.

Question 3: transition requirement

The IASB intends to apply the proposed amendment to IFRS 11 and the proposed consequential amendment to IFRS 1 prospectively to acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business on or after the effective date.

Do you agree with the proposed transition requirement? Why or why not? If not, what alternative do you propose?

We agree with the proposed transition requirement to apply the ED and the consequential amendment to IFRS 1 prospectively, because we consider that not all the acquisition-date fair values of the identifiable assets and liabilities that would have to be recognized as part of the transaction in accordance with the business combinations guidance in IFRS 3 and other IFRSs might be available.

Lisbon, 20th March 2013