

# EMITTENTI TITOLI S.p.A.

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**Subject: EFRAG Draft Comment Letter on the IASB Exposure Draft of Proposed Amendments to IAS 23 *Borrowing costs***

Dear Sirs,

concerning the IASB draft document, we observe that the objective of a full convergence with FAS 34 is not achieved, considered the differences remaining in the determination of borrowing costs to capitalise. We also observe that the explanation provided in the IASB document about the reasons to prefer capitalization to direct expensing lacks of theoretical consistency.

For these reasons we fully share the position of EFRAG about question 1, not supporting the proposal of change.

We also agree with IASB Board and EFRAG in considering that, in case the amendments were approved, a retrospective application would outweigh the benefit. We agree with the proposal (in question 2) that entities shall apply the amendments to borrowing costs for which the commencement date is on or after the effective date.

Yours sincerely,

Emittenti Titoli S.p.A.  
(Deputy Chairman)

*S. Micossi*