



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

EFRAG  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

April 29, 2019

Dear Mrs Del Prete,

**Re: Discussion Paper on NON-EXCHANGE TRANSFERS**

We are pleased to provide comments on the EFRAG Discussion Paper on Non-exchange Transfers (NETs).

We agree with EFRAG that non-exchange transfers are an area needing attention from the IASB. However, we do not think that these transactions require a dedicated new standard. Moreover, we are not convinced that the proposed treatment is based on a sufficiently solid conceptual rationale. In both the definition of the scope and the “four-step” approach, we think that EFRAG is proposing what seems to be more a rule-based solution rather than a conceptually robust approach. In our view, it would be easier (and entail a lower risk of unintended consequences) to attempt to solve the IFRIC 21 issues by amending current standards.

Furthermore, it seems to us that the proposed approach still leaves many issues unresolved (such as, for example, the obligating event and the P & L allocation method) while calling into question well-established practices on other transactions, such as government grants.

We therefore do not think that introducing new definitions or a new scope for these transactions in IFRS principles is the better way forward. We think that the IASB should better deal with these transactions as part of its maintenance of the existing IFRS standards (and if needed through limited amendments to existing IFRS standards). As a result, we do not support EFRAG's efforts to develop specific accounting requirements for non-exchange transfers.

With regard to levies, we think that issues identified by stakeholders when commenting on IFRIC 21 should be dealt with as part of the IAS 37 Research project. If needed, limited amendments should be made to IAS 37 (or to IAS 34, as the main issue is in our mind about the accounting for specific levies in interim financial reporting, i.e. the allocation to P & L).

With regard to government grants, we are not aware of any issues that would require the development of new accounting provisions as a matter of urgency. We note that the accounting for government grants in IAS 20 was not a concern raised by stakeholders during the 2015 Agenda consultation.

Please do not hesitate to contact us should you require further information.

Yours sincerely,

Patrice MARTEAU  
Chairman

A handwritten signature in black ink, appearing to read 'Patrice Marteau', written in a cursive style.