



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



Mouvement
des Entreprises de France
MEDEF

A F E P

Association Française des Entreprises Privées

IASB
Comment letters
30 Cannon Street
London EC4M 6XH
UK

Paris, October 23, 2006

Re: Financial instruments puttable at fair value and obligations arising on liquidation

ACTEO, MEDEF and AFEP welcome the opportunity to comment on the proposed amendments to IAS 32 and IAS 1 dealing with the classification of certain financial instruments puttable at fair value.

We understand the anomaly that the proposed amendments are due to solve, as is explained in BC5. We welcome the IASB taking the view that such anomalies need to be solved, even on a short-term basis, without waiting the finalisation of the Board's active projects. We understand that the proposed provisions are an exception to the general principle and the definition of a liability, and therefore do not identify them as a departure from the framework.

We however believe that the anomalies described in BC5 apply to other situations than those which can meet the criteria set forth in the proposed amendments, and disagree that similar economic situations would be dealt with differently: IAS 32 requirements applied to, for example, puts over minority interests, may create also anomalies arising from distributions to shareholders being presented within net income or accounting mismatches between assets and liabilities resulting in distorted gearings.

We therefore disagree with the criteria set forth in the proposed revision of IAS 32.11. We believe they have been selected and checked to make the exception possible for only some of the difficulties encountered in practice, without enough consideration for similar difficulties encountered elsewhere.

For the reasons explained above, we believe the IASB should reconsider the proposed amendments and issue alternative proposals in which all situations that give rise to the anomalies described in BC5 would be scoped in.

If you would like further clarification of the points raised in this letter, please do not hesitate to contact us.

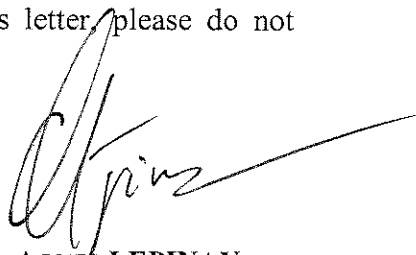
Yours, sincerely



PATRICE MARTEAU
Le Président



ALEXANDRE TESSIER
Le Directeur Général



AGNÈS LEPINAY
*La Directrice des Affaires Economiques,
Financières et Fiscales*