Dear EFRAG,

please find attached our comments to:

IAS 28 _ Long term interests

Related to the amendments of IAS 28, Investments in Associates and Joint Ventures (IAS 28) within the E*xposure Draft Annual Improvements to IFRS Standards 2015-2017 Cycle*, please find below some brief comments.

1. We noted that, especially in case of entity fully controlled by the parent, is not so easy to make a clear difference between the financial receivables and long term interests in scope of the amendments of IAS 28; therefore there is a need to define a principle able to distinguish them. We concord with EFRAG in order to include an example or some related guidance illustrating the application of the proposed amendment;
2. The separate financial statement in Italy is the "statutory financial statement" that is also the reference for legal purposes. Generally we concord with the proposed amendment to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint venture applying IFRS 9, including its impairment requirements.
   We noted that the amendments of IAS 28 is limited to the financial statements of an investor who holds such financial investments over an entity which are measured at equity method. Considering that usually the long term interest in a subsidiary is much more frequent in a separate financial statement, in which the entity could use the cost method to measure the investment in a subsidiary, we believe that the above mentioned amendments have to be extended to this case. We think that the case investigated for investments measured at equity method is not different from those in which the investment is measured at cost, in both cases the definition of the unit of account makes the difference in determining the measurement of impairment losses.
   Despite the technical method to account an impairment on the long term interest is different following the IFRS9 or other Standards (IAS28/IAS27/IAS36), we believe that the underline documentation or information could finally be similar. Nevertheless we strongly recommend that any amendment should be focused on both the above mentioned (investments measured at equity method and at cost method).

Best regards

Fabiano Pica

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Ferrovie dello Stato Italiane SpA

Manager of Professional Practice and Group Accounting Standards

Phone +39 06 44105720