



EFRAG  
Mr Jean-Paul Gauzès  
35 Square de Meeûs  
1000 Bruxelles

15 February 2018

Dear Mr Gauzès,

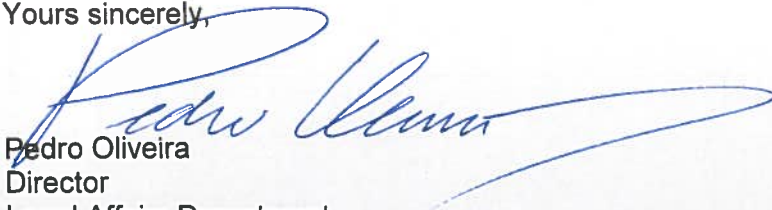
It is BusinessEurope's policy not to express an opinion on the endorsement of International Financial Reporting Standards (IFRSs) once the final standard has been published by the IASB. However, we are aware of the comments made by the French standard setter (the ANC) in response to EFRAG's Draft Endorsement Advice (DEA), and many of the issues raised in that comment letter are consistent with those BusinessEurope raised in its response to the original Exposure Draft, a copy of which is attached for your information.

IAS 28 has been the subject of a number of amendments over the last fifteen years or so, culminating in the amendments under review. In our view, the resulting requirements now raise issues of a conceptual nature and a practical nature, including those of the inter-action between different standards, the appropriate unit of account and the complexity of accounting. We therefore agree with the ANC's view that although the amendment has provided clarification it is highly debatable whether it will improve financial reporting to any significant extent, other than to avoid anticipated diversity in accounting. In addition, the conceptual and practical issues raised demonstrate that the priority of the project relating to equity-accounted investments must be reassessed and we would encourage EFRAG to liaise with the IASB to this end.

For the sake of clarity, we do not think that there are sufficient grounds to oppose the endorsement of the amendments to IAS 28, but we are of the view that they do not resolve many of the fundamental questions on this topic.

If you require any further information on this, please do not hesitate to contact us

Yours sincerely,



Pedro Oliveira  
Director  
Legal Affairs Department