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Paris, the 08<sup>th</sup> January 2015

Mr Hans HOOGERVORST  
IFRS Foundation  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

N° : 3

**Re: Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value  
ED/2014/4**

Dear M. Hoogervorst,

I am writing on behalf of the Autorité des Normes Comptables (ANC) to express our comments on the exposure draft ED/2014/4, *Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair Value (Proposed amendments to IFRS 10, IFRS 12, IAS 27, IAS 28 and IAS 36 and Illustrative Examples for IFRS 13)*, issued by the IASB on 16 September 2014.

The ANC agrees with the conclusion that the unit of account for investments within the scope of IFRS 10 *Consolidated Financial Statements*, IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Venture* is the investment in a subsidiary, joint venture or associate, as a whole rather than the individual financial instruments included within that investment.

However, we disagree that determining the fair value measurement of a quoted investment in a subsidiary, joint venture or associate as the product of the quoted price of the financial instrument (P) multiplied by the quantity (Q) of instruments held (i.e.  $P \times Q$ ) will always provide with relevant information. When the unit of account corresponds to a significant investment in a subsidiary, joint venture or associate, the price paid may include control premiums or discounts and consequently may differ from the mathematical calculation  $P \times Q$ . Accordingly, the ANC considers that this proposal seems too simple and does not reflect the substance of the transaction. The ANC is ultimately convinced that only a case by case approach is relevant to provide with a faithful representation.

If you have any question concerning our comments, we would be pleased to discuss them.

Yours sincerely,



Gérard Gil

ANC Board Member  
IFRS Commission Chair