

Dear Madame Flores,

Further to my e-mail of 16 December 2011 giving ACCA's draft views on the above, our finalised responses have now been submitted to the IASB.

I can confirm that there is no change to the draft views which were sent to you.

With regards,

Yours sincerely,

A handwritten signature in black ink that reads "P Cooper". The signature is written in a cursive style with a large initial "P" and a smaller "Cooper" following it.

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Dear Madame Flores ,

In response to EFRAG's draft comment letters, I am writing to set out ACCA's draft views on the two EDs above, which will form the basis for ACCA's detailed submissions to the IASB .Our views have not been finalised yet, but given EFRAG's deadline for comment I am providing our draft position. We will be submitting our final position to IASB early in 2012.

#### ED/2011/4 Investment Entities

As EFRAG does, ACCA agrees that investment entities should be exempt from consolidating the investees which they control (IASB's Question 1). However, we have concerns that the qualifying criteria for investment entities set out by the IASB are likely to exclude certain investors whose business model is essentially that of an investor (Question 2). For example, private equity houses involved in running the investee may well not meet criterion 2 (e) concerning the management and evaluation of an investment on a fair value basis.

ACCA agrees with EFRAG's views on Questions 3 (a) and 3 (b), 4, 5, 6 and 8. IASB Questions 7 (a) and (b) ask for comments on the disclosure objective and related guidance. In order to achieve consistency of disclosure between investment entities, ACCA would prefer a specific list of disclosure requirements to be included in the body of the proposed Standard. This is in contrast to the current inclusion of disclosures within the guidance section, where one of the two relevant paragraphs (B19) states that the disclosures set out there "may be appropriate".

We have fewer concerns than EFRAG with respect to the proposed amendment to IAS28 (Question 9), and support IASB's option 9(b). Investment entities would consequently account for associates in the same way as controlled investees, whilst other investing entities, which are required to consolidate their controlled investees, would still be allowed to adopt the equity method for their associates.

With regards,  
Yours sincerely,



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