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Paris, 1er octobre 2009

Le Président

JFL/DC

N°71

IFRIC D25

30 Cannon Street

London EC4M 6XH

UNITED KINGDOM

Re: IFRIC Draft interpretation D25 - Extinguishing financial liabilities with equity instruments

Dear Sir or Madam,

I am writing on behalf of the Conseil National de la Comptabilité (CNC) to express our views on the above-mentioned Draft interpretation.

The CNC agrees with the IFRIC draft interpretation. We agree that the issue of an entity's equity instrument to extinguish a financial liability is a "consideration paid" in accordance with IAS 39 paragraph 41 (Derecognition of financial liability).

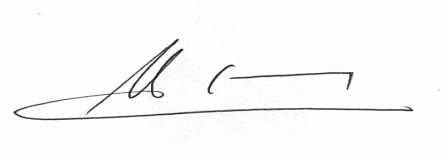
Moreover, we support IFRIC's decision to initially measure the equity instrument at the fair value of the equity instruments issued or at the fair value of the liability extinguished, whichever is more reliably determinable and that any difference between this amount and the carrying amount of the liability should be recognised in profit and loss.

We consider that the issue is mainly related to the accounting treatment of an exchange. We note that IAS 16 *Property, plant and equipment* addresses exchange transactions and requires to use the fair value of the asset which is "reliably measurable" and the "more clearly evident" (see IAS 16 paragraphs 24-26). Therefore, we agree with the IFRIC consensus on the more reliably determinable fair value but we would encourage the IFRIC to better explain its reasoning in the basis for conclusion.

Moreover, we believe that IFRIC should specify the date at which the fair value of the instruments should be assessed. For instance, an entity (whose shares are quoted) could enter into an agreement with its creditors to extinguish its debt by issuing equities but could issue these equities several months later (for instance because such issue of equities requires shareholders' approval). Due to the volatility of the share price, the date at which the fair value is determined may impact Profit & Loss with significantly different amounts.

We hope you find these comments useful and would be pleased to provide any further information you might require.

Yours sincerely,



Jean-François Lepetit