

Jean-Paul Gauzès  
EFRAG Board President  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

Re: EFRAG's Discussion Paper "Non-exchange Transfers (NETs): a role for social benefit?"

Dear Jean-Paul,

On behalf of the Accounting and Auditing Institute (ICAC) I am writing to express our view on the mentioned discussion paper. First of all ICAC appreciates the opportunity to comment on the above-mentioned discussion paper.

We do not support the objective of the project and the DP proposal that specific accounting treatment is required for NETs. We believe that the approach explored in the discussion paper provides a rules-based approach rather than a comprehensive conceptual approach.

We believe that the scope of the DP is confusing, it is not clear in the discussion paper the reasons why certain transactions are excluded. We do not agree with the scope of the project. Some concepts such as "non-exchange", "social benefit" are not precisely defined, and we are concerned about unintended consequences for a wide range of transfers not detailed in the DP, for example, those transactions that are not equal value in exchange for both parties, but that are carried out by market interests and not for a possible "social benefit". In addition, we like to point out that the proposal involves using an excess of judgment

In conclusion, we do not agree with the proposals expressed by EFRAG in the DP.

Should you require additional information on our comments, please do not hesitate to contact us,

Yours sincerely,

Enrique Rubio Herrera  
Chairman of ICAC