IASB  
30 Cannon Street  
London  
EC4M 6XH

Paris, April 24, 2013

RE: Comments on ED2012/6 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Dear Sir / Madam,

Mazars welcomes the opportunity to comment on the Exposure Draft on Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

We agree with the proposed amendments to IFRS 10 and IAS 28 as we believe that they are both consistent with the thinking of IFRS 3R / IAS 27R and also limit the structuring opportunities.

Our answers to the specific questions raised in this Exposure Draft are presented in the attached appendix.

As this project puts more emphasis on the definition of a business, we urge the Board to provide more guidance on this topic, possibly during the post-implementation review of IFRS 3.

We would be pleased to discuss our comments with you and are at your disposal should you require further clarification or additional information.

Yours sincerely

Michel Barbet-Massin  
Head of Financial Reporting Technical Support
Appendix 1: detailed answers to the questions raised in the Exposure Draft.

Question 1: proposed amendment to IFRS 10

The IASB proposes to amend IFRS 10 so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture is recognised only to the extent of the unrelated investors’ interests in the associate or joint venture. The consequence is that a full gain or loss is recognised on the loss of control of a subsidiary that constitutes a business, as defined in IFRS 3, including cases in which the investor retains joint control of, or significant influence over, the investee.

Do you agree with the amendment proposed? Why or why not? If not, what alternative do you propose?

Question 2: proposed amendment to IAS 28 (2011)

The IASB proposes to amend IAS 28 (2011) so that:
(a) the current requirements for the partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business, as defined in IFRS 3; and
(b) the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture is recognised in full.

Do you agree with the amendment proposed? Why or why not? If not, what alternative do you propose?

We agree with the proposed amendment to IFRS 10 and IAS 28. Indeed, recognizing a full gain or loss only when the assets transferred constitute a business is consistent with the thinking of IFRS 3R / IAS 27R.

Moreover, it clearly limits the structuring opportunities, as the standard now differentiates the accounting treatments based on the substance (what assets are being transferred?) rather than on the legal form of the operation (is a subsidiary involved?).

Question 3: transition requirements

The IASB proposes to apply the proposed amendments to IFRS 10 and IAS 28 (2011) prospectively to sales or contributions occurring in annual periods beginning on or after the date that the proposed amendments would become effective.

Do you agree with the proposed transition requirements? Why or why not? If not, what alternative do you propose?

We agree with the proposed transition requirements.