Dear Sir/Madam,

Draft Q&A 2011/03: IFRS for SMEs Section1, Issue 3 – Interpretation of “traded in a public market”

Mazars is pleased to comment on the SME Implementation Group’s draft Q&A 2011/03 on the interpretation of “traded in a public market”.

We agree with the SME Implementation Group’s response.

However we believe that the SME Implementation Group’s should further clarify the notions of “broad group” and “outsiders”. Please, see our response to draft Q&A 2011/04.

If the SME Implementation Group does not intend to give a specific definition of a “Broad group of outsiders” in that Q&A, it should refer to the Q&A on issue 4 which deals with that specific notion.

We also believe the SME Implementation Group could:

- use regulatory sources such as EC regulation on the definition of public offer to give further guidance on these notions;
• indicate whether debt or equity instruments of an entity should be considered as “traded in a public market” if trading occurs only with “qualified investors” such as defined in EC regulation.

Should you have any questions, please do not hesitate to contact us.

Yours faithfully

Michel Barbet-Massin
Head of Financial Reporting Technical Support