14 June 2011

Dear Sir/Madam,

Draft Q&A 2011/04: IFRS for SMEs Section1, Issue 4 – Investment funds with only a few participants

Mazars is pleased to comment on the SME Implementation Group’s draft Q&A 2011/04 on the interpretation of “investment funds with only a few participants”.

We agree with the SME Implementation Group’s response.

However, we believe that the SME Implementation Group should clarify the meaning of “Broad group of outsiders” by giving elements of guidance. We believe it is important to define the notions of “broad group” and “outsiders”.

- What is the meaning of “broad group”? Is it a group of over 100 investors? Or a group of investors that invested over 1 M€?

- What is an “outsider”? The response indicates in paragraph 2: “If the instruments can only be exchanged between parties related to the entity, such as owner-managers, the instruments are not traded in a public market”. Is the notion of “related party” used in this paragraph the same as the one defined in the IFRS for SMEs (refer to section 33)? If that is the case, we believe it should be mentioned in the Q&A.

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

Yours faithfully

Michel Barbet-Massin
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