



Association pour la participation des
entreprises françaises à l'harmonisation
comptable internationale



Mouvement
des Entreprises de France
MEDEF

A F E P

Association Française des Entreprises Privées

European Commission
Internal Market and Services DG
200, Rue de la Loi
C107 06/76
1049 Bruxelles

Paris, January 25, 2008

Re : Effect study on the potential adoption of IFRIC 12

ACTEO, AFEP & MEDEF are professional organisations, representing the French preparer community operating in all segments of commercial business (Services, Manufacturing, Distribution, Banking and Insurance). The vast majority of our members are listed on the French market ; some of them are also listed in the US.

We are pleased to provide the European Commission with some insight in our views and experience in relation to the potential adoption of IFRIC 12.

In our letter to EFRAG, commenting on EFRAG draft positive endorsement advice, we indicated:

"In its redeliberations the IFRIC has taken into consideration all of our concerns and dealt with them in such a manner that IFRIC 12 as issued now designs sound and relevant accounting treatments for different types of concession contracts (service concession as well as infrastructure concession contracts). Beyond allowing for a fair reflection of the underlying economics of concession arrangements, IFRIC 12 proves to be fully workable, as those of our members who have already implemented IFRIC 12 can testify.

We are convinced that the application of IFRIC 12 will lead to significant improvements in the quality of financial information and will therefore improve financial analysis, comparability and, at the end of the day, will benefit to the European Concession business involved in activities meeting IFRIC 12 scope criteria."

If you would like further clarification of the points raised in this letter, please do not hesitate to contact us.


Yours sincerely

ACTEO



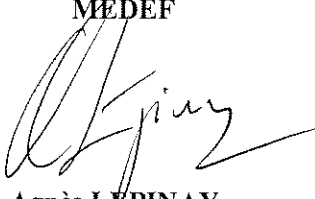
Patrice MARTEAU
Chairman

AFEP



Alexandre TESSIER
Director General

MÉDEF



Agnès LEPINAY
Director of economic
and financial affairs

Questionnaire

EFFECT STUDY ON IFRIC 12 SERVICE CONCESSION ARRANGEMENTS

FINAL DRAFT – 24 janvier 2008

Please provide the following details together with your response:

Preparer User Other (please specify)

Name of your organization / company : *ACTEO, AFEP & MEDEF*

Country where your organization / company is located : *France*

ACTEO, AFEP & MEDEF are professional organisations, representing the French preparer community operating in all segments of commercial business (Services, Manufacturing, Distribution, Banking and Insurance).

Some of our members are parties to concession arrangements: EDF, GDF, EIFFAGE, SODEXO, SUEZ, VEOLIA, VINCI.

Contact details incl. e-mail address :

ACTEO
55, avenue Bosquet
75007 PARIS
33-1-53-59-16-50
acteo@medef.fr

Please indicate whether you submitted comments to IASB and/or EFRAG during their consultations on exposure drafts, comment letters or endorsement advice related to IFRIC 12

Yes No

Comments :

Yes, ACTEO, AFEP & MEDEF did send comments to IFRIC and EFRAG. Most recommendations formulated by ACTEO, AFEP & MEDEF on the exposure-draft have been reflected in the final interpretation. ACTEO had also expressed the view that it was of the utmost importance that an interpretation be issued as quickly as possible. As a result, ACTEO, AFEP & MEDEF has strongly supported EFRAG draft positive endorsement advice.

Information from preparers

Markets where your company is listed :

European Union US Others (please specify)

All our members are listed in Europe; some of them are also listed in the US.

1. General questions on IFRIC 12

a) ***Do you think it is necessary to clarify the accounting treatment to be applied to service concessions arrangements under IFRS ?***

Yes No

Comments:

We agree that it was necessary to clarify the accounting treatment for service concession arrangements. Nevertheless we would like to raise the issue of the definition of the scope. Obviously the IFRIC could not take into account all the different legal and contractual environments surrounding concession contracts. As a result, each company should take into account its specific environment and apply its own judgement to determine whether its concession arrangements enter into IFRIC 12 scope. It is important to keep in mind that IFRIC 12 scope does not encompass all concession arrangements.

As a matter of fact, most of our members involved in the concession industry carry out concession contracts of great diversity, some of which being within IFRIC12 scope, some others not.

b) ***Do you think that IFRIC 12 will result in relevant, reliable, comparable and understandable information ?***

Relevant	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Partly
Reliable	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Partly
Comparable	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Partly
Understandable	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Partly

Comments :

We consider that IFRIC 12 accounting models are based on the economics of the concession contracts. As a result IFRIC 12 enables preparers to provide relevant financial reporting.

- c) **Overall, do you think that IFRIC 12 provides an appropriate solution to the accounting for service concession arrangements ?**

Yes No

Comments :

In our view, IFRIC 12 deals with concession contracts included in its scope satisfactorily.

- d) **Would you have preferred a standard to address this issue ?**

Yes No

Comments :

One of IFRIC 12's main merits is to have been issued rapidly after the adoption of IFRS in Europe, while providing an appropriate accounting guidance for contracts included in its scope. In addition, we observe that the issuance by IFRIC of IFRIC 12 does not prevent the IASB to decide in the future whether a comprehensive standard on concession contracts is desirable.

- e) **If you answered "yes" to question 1d, would you consider that endorsement of IFRIC 12 is necessary or useful in the meantime ?**

Necessary Useful Neither of them

Comments :

- f) **What do you consider are the main costs and benefits of IFRIC 12 and what importance would you assign to each of them ?**

Comments :

From a general point of view the main benefits will be to ensure relevant accounting and comparability.

Those of our members who have already applied IFRIC 12 requirements confirm that those requirements are relevant to both internal management and financial reporting. They also confirm that they are workable.

2. Questions for preparers

- a) **Can you explain how significant service concession arrangements are for your business ?**

Significant Not significant

Additional information, if possible:

Turnover related to service concession arrangements (amount in millions Euros, % of the total turnover)

Comments: N/A for ACTEO

b) Are you currently applying IFRIC 12 or expecting to apply it in the short term?

applying forecasting Neither of them

Comments :

Gaz de France, Veolia, and Suez have been applying IFRIC 12 since 2006 and 2005 respectively.

Eiffage and Vinci intend to apply it in 2008.

Sodexo intends to apply it for the year ended August 31, 2009

EDF forecasts to apply the interpretation when endorsed by the EU.

c) If you are currently not applying IFRIC 12, could you describe current accounting treatment applied to service concession arrangements ?

Comments :

d) Do you think that IFRIC 12 provides/would provide useful information for internal purposes or other than issuing general purpose financial statements purposes ?

Yes No

Comments :

See answer to question 1 f

4. Other Questions

a) Can you provide any information that has been generated by field studies, research work, internal analysis carried out in your organization, jurisdiction ?

Comments :

NA

b) If you have any further comments on this consultation please provide them to us.

Comments :

NA

???

?