



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

The Chairman of the  
IFRS Board  
Columbus Building, 7  
Westferry Circus  
Canary Wharf  
London E14 4HD.

18 October 2019

**Re: ED “Disclosures of Accounting Policies”**

Dear Mr Hoogervorst,

We welcome the opportunity to comment on the above-mentioned exposure draft as we have always been supportive of any initiative that can improve the relevance and readability of financial statements.

Even though we have not encountered difficulties with the term «significant» in relation to the disclosure of accounting policies, we do understand the rationale for replacing it with the term “material”. We also welcome the proposed guidance which illustrates how this notion could be applied when considering the accounting principles to be disclosed. Finally, we also agree that not all accounting principles related to material amounts are necessarily material on their own account, and we agree with the approach to assessing materiality suggested in paragraph 117B.

However, we are not sure whether these amendments are intended to prohibit (rather than to recommend) the presentation of non-material accounting policies and if so, that would be a concern for us.

Indeed, although in the proposed new/amended paragraphs, the Board nowhere specifies that “non-material” accounting principles should be excluded from financial statements, the introduction where it is clearly explained that “the proposed amendments are intended to help entities to identify immaterial accounting policies and eliminate them from their financial statements” can be read to mean that such disclosure of such policies should not be included.

We fully concur with the view expressed by Mr Martin Edelmann that “Not all primary users of financial statements are accounting experts” and that “the disclosure of accounting policies could help them to better understand an entity’s reported financial performance and financial position even if such accounting policies are not important enough to be assessed as material”.

We therefore ask the Board to state specifically that disclosures of non-material accounting policies are not strictly prohibited from financial statements as long as they are drafted in a synthetic and educational way and that the material accounting policies are well highlighted. This approach is in line with the work carried out by several French groups having reviewed their accounting principles in accordance with the recommendations of the French regulator.

If you require any clarification or information, please do not hesitate to contact us.

Yours sincerely,

ACTEO

Patrice MARTEAU  
Chairman

A handwritten signature in black ink, appearing to read 'Patrice Marceau', written in a cursive style.