



Direction des Affaires Economiques,
Fiscales et Financières

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DRAFT STANDARD N°2 ON FINANCIAL INFORMATION COORDINATION OF ENFORCEMENT ACTIVITIES

MEDEF'S CONTRIBUTION

As a complement to standard 1, those principles proposed by CESR on coordination of enforcement activities will be very useful and constitute an important engagement of national competent authorities toward a harmonised implementation of IFRS. MEDEF thanks CESR for that work.

Mainly MEDEF agrees with the prescriptions of the standard 2. Nevertheless, we believe that the few ideas exposed below could strengthen standard 2.

Principle 1 and 2

The respect of principle 1 is essential to achieve harmonisation of enforcement decisions. As it will not always be possible to organize discussion before decision of enforcement, enforcers' decisions must be available to all enforcers as quickly as possible. That is the reason why MEDEF considers that principle 2 should be strengthened as follows:

“As soon as possible ~~With a reasonable time~~ after decision are taken (...)”.

Principle 3

Confidentiality regime is an important point for the issuer as a case's analysis could contain confidential information. Nevertheless, MEDEF totally shares CESR's opinion on the importance of a larger diffusion of selected data which must be available mainly for issuers and auditors. It is essential to constitute an adequate doctrine on IFRS.

Furthermore, MEDEF considers that national enforcers should have to justify their decision when it presents significant differences compared to an existing precedent. Such a situation should in any case remain exceptional.

Principle 4

The proposed EECS should be very useful to improve coordination. MEDEF considers that informal exchanges should be organised with issuers and auditors to improve the global process taking into account specific needs and difficulties of each actor.

Besides, as stated in MEDEF's contribution to the first consultation on that topic, the coordination with IFRIC is important. Indeed, it will take time to have definitive precisions of interpretation by IFRIC when needed on specific cases. Some cases could lead to a decision which contradicts enforcers' position. French firms are concerned with the risk that this situation represents. It should be limited as much as possible to cases where European enforcers are convinced that European economic interests justify a decision that could be contradicted by IFRIC, as in some specific cases, the EU should desire not to endorse an IFRIC interpretation.

That is the reason why MEDEF believes that EECS should have an easy access to IFRIC members for a formal or informal exchange of ideas. Moreover, MEDEF reiterates its suggestion to constitute a panel with enforcers, issuers, auditors and if possible IFRIC members to have the best possible knowledge of IFRIC strategy and positions on important topics and take different decisions only on purpose, if enforcers consider that IFRIC interpretation could be refused by EU.

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