

Organismo Italiano di Contabilità – OIC
(The Italian Standard Setter)
Italy, 00187 Roma, Via Poli 29
Tel. 0039/06/6976681 fax 0039/06/69766830
e-mail: presidenza@fondazioneoic.it

EFRAG
35 Square de Meeüs
B-1000 Brussels
BELGIUM
commentletter@efrag.org

23 July 2014

Re: Draft endorsement advice on the Amendments to IFRS 11: Accounting for acquisitions of interests in Joint Operations

Dear Françoise,

OIC is pleased to have the opportunity to provide its comments on your draft endorsement advice on the Amendments to IFRS 11: *Accounting for acquisitions of interests in Joint Operations*.

As we have already expressed in our comment letter on the ED *Acquisition of an Interest in a joint operation*, we have some concerns about the approach of the amendments that remove the difference between a situation in which there is the acquisition of control and a situation in which there is the acquisition of a position different from the control. IFRS 3 is applied, in fact, only in cases where there is a business combination which, by its own definition, implies the acquisition of control. The idea of extending the application of IFRS 3 to include the acquisition of an interest in a JO (which by definition implies joint control) seems to consider the mere fact that the JO is a business and not the fact that the buyer does not acquire the control.

Although we disagree with this approach, we recognize that in practice IFRS 3 is applied in these cases due to the absence of a specific accounting standard. OIC believes that the endorsement process should not change current practice. For this reason, we think that there are not significant factors to stop the endorsement process.

Finally, we note that the change to the principle has been inserted in a moment when the IFRS IC is taking into consideration a number of issues on the application of IFRS 11. This situation could add further confusion for the operators, therefore, OIC considers desirable that the IASB should accelerate the process of Post-Implementation Review of IFRS 11.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,
Angelo Casò