

**Subject:** Exposure Draft 49, Consolidated Financial Statements

Ms. Stephenie Fox

**Specific Matter for Comment 1:**

Do you agree with the proposed definition of control? If not, how would you change the definition?

I agree because the definition seems to European definition (commission directive of 25 June 1980 (80/723/EEC) on the transparency of financial relations between Members States and public undertakings) of public company: *“any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue to their ownership of it, their financial participation therein, or the rules govern it.*

*A dominant influence on the part of the public authorities shall be presumed when these authorities, directly or indirectly in relation to an undertaking:*

*(a) Hold the major part of the undertaking’s subscribed capital;*

*(b) Control the majority of the votes attaching to shares issues by the undertakings; or*

*(c) can appoint more than half of the members of the undertaking’s administrative, managerial or supervisory body.”*

**Specific Matter for Comment 2:**

Do you agree that a controlling entity should consolidate all controlled entities (except in the circumstances proposed in this Exposure Draft)? If you consider that certain categories of entities should not be consolidated, please justify your proposal having regard to user needs and indicate your preferred accounting treatment for any such controlled entities. If you have any comments about temporarily controlled entities, please respond to Specific Matter for Comment 3.

Yes, I agree.

**Specific Matter for Comment 3:**

Do you agree with the proposal to withdraw the exemption in IPSAS 6, *Consolidated and Separate Financial Statements* (December 2006) for temporarily controlled entities? If you agree with the withdrawal of the exemption please give reasons. If you disagree with the withdrawal of the exemption please indicate any modifications that you would propose to the exemption in IPSAS 6 (December 2006).

I agree because it’s conforming to *IFRS 10*.

**Specific Matter for Comment 4:**

Do you agree that a controlling entity that meets the definition of an investment entity should be required to account for its investments at fair value through surplus or deficit?

I agree.

**Specific Matter for Comment 5:**

Do you agree that a controlling entity, that is not itself an investment entity, but which controls an investment entity should be required to present consolidated financial statements in which it (i) measures the investments of the controlled investment entity at fair value through surplus or deficit in accordance with IPSAS 29, *Financial Instruments: Recognition and Measurement*, and (ii) consolidates the other assets and liabilities and revenue and expenses of the controlled investment entity in accordance with this Standard?

I agree.

Do you agree that the proposed approach is appropriate and practicable? If not, what approach do you consider would be more appropriate and practicable?

I agree.

**Specific Matter for Comment 6:**

The IPSASB has aligned the principles in this Standard with the Government Finance Statistics Manual 2013 (GFSM 2013) where feasible. Can you identify any further opportunities for alignment?

We can't.

Your's sincerely.

J.B. Mattret

University of Picardie (France)