

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **France**



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This Profile provides information about the application of IFRS Standards in France. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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#### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Autorité des Normes Comptables (ANC) [Accounting Standards Authority]
Role of the organisation	<p>The ANC was created under Ordinance No. 2009-79 enacted on 22 January 2009 and related application Decree No. 2010-56 of 15 January 2010. Funding is provided by the Ministry of Economy, Finance, Industry and Employment, supplemented by contributions from the private sector. The ANC is responsible for:</p> <ul style="list-style-type: none"><li>• defining general and industry-specific accounting standards, with legal authority for entities subject to legal accounting requirements in accordance with French GAAP;</li><li>• providing advice on all legislative or regulatory provisions issued by national authorities which contain accounting measures;</li><li>• issuing position statements on international accounting standards;</li><li>• fostering and coordinating theoretical and methodological work on accounting issues; and</li><li>• making all relevant suggestions and recommendations.</li></ul>
Website	<a href="http://www.autoritecomptable.fr/">http://www.autoritecomptable.fr/</a>
Email contact	<a href="mailto:webmestre.anc@anc.gouv.fr">webmestre.anc@anc.gouv.fr</a>

## COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	<p>Yes.</p> <p>Refer to the <a href="#">IAS Regulation</a> adopted by the European Union in 2002.</p>
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>Refer to the <a href="#">IAS Regulation</a> adopted by the European Union in 2002.</p>
What is the jurisdiction's status of adoption?	<p>France has already adopted IFRS Standards as a requirement for the consolidated financial statements of all companies whose securities trade in a regulated market and for other companies on a voluntary basis.</p>
Additional comments provided on the adoption status?	<p>As a member state of the European Union, France is subject to <a href="#">IAS Regulation</a> adopted by the European Union in 2002.</p> <p>The EU IAS Regulation requires application of IFRS Standards as adopted by the EU for the consolidated financial statements of European companies whose securities trade in a regulated securities market starting in 2005. The EU IAS Regulation gives member states the option to require or permit IFRS Standards as adopted by the EU in separate company financial statements (statutory accounts) and/or in the financial statements of companies whose securities do not trade in a regulated securities market. See the Profile for the European Union for more detailed information about the EU IAS Regulation.</p> <p>Regulated markets in France are:</p> <ul style="list-style-type: none"> <li>• Euronext Paris Matif.</li> <li>• Euronext Paris Monep.</li> <li>• Euronext Paris.</li> <li>• Powernext Derivatives.</li> </ul> <p>France used the option under the IAS Regulation to permit optional application of IFRS Standards as adopted by the EU for the consolidated accounts of companies that do not trade in a regulated market starting in 2005. However, IFRS Standards as adopted by the EU are not authorised for individual/statutory accounts for any French companies. The French Plan Comptable Général applies.</p>
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.	<p>Not applicable.</p>

## EXTENT OF IFRS APPLICATION

### *For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?	<p>Yes. All domestic companies whose securities trade in a public market are required to use IFRS Standards as adopted by the EU in their consolidated financial statements.</p>
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If YES, are IFRS Standards REQUIRED or PERMITTED?	In accordance with the EU Accounting Regulation, IFRS as adopted by the EU are required for the consolidated financial statements of all European companies whose debt or equity securities trade in a regulated market in France.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	The principal securities exchange in France is a regulated market to which the EU IAS Regulation applies. France has one or more public securities markets that are not regulated markets; companies whose securities trade in those markets are not required by the EU IAS Regulation to use IFRS Standards as adopted by the EU.
Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	No. IFRS are not authorised for individual/statutory accounts for any French companies. The French Plan Comptable Général applies.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Permitted for consolidated financial statements of such companies. If such a company chooses to use IFRS Standards as adopted by the EU, a reconciliation to local GAAP (the French Plan Comptable Général ) is not required.
If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable.
<b><i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i></b>	
Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required for some and permitted for others. Foreign companies whose securities trade in a regulated market in France (and generally in the EU) are required to report under IFRS Standards as adopted by the EU for their consolidated financial statements unless the European Commission has deemed their local accounting standards to be equivalent to IFRS Standards, in which case they may use their local standards. This is laid out on the <a href="#">‘Financial Reporting’</a> page of the European Commission’s website.
Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	All.

## IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as adopted by the European Union, which are IFRS Standards as issued by the IASB Board with some limited modifications such as the temporary 'carve-out' from IAS 39. However, the resulting financial statements of the majority of companies can still be in full compliance with IFRS Standards.
The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	IFRS Standards as adopted by the European Union.
Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?	No.
Are IFRS Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	The process is described in the Profile of the European Union.
If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	Yes.
If yes, what is the process?	The process is described in the Profile of the European Union.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	Yes.
If yes, what are the changes?	Details are in the Profile of the European Union.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.

## TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?

Yes.

The European Union has 24 official and working languages. They are: Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish and Swedish. Before they are published in the *Official Journal of the European Union*, and therefore become binding under EU law, individual IFRS Standards must be translated into all of those languages (other than English and Irish). Those translations are published in the *Official Journal of the European Union* pursuant to a copyright waiver agreement with the IFRS Foundation.

The IFRS Foundation also produces an 'official translation' into French as described below.

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?

The IFRS Foundation works in partnership with the Canadian Institute of Chartered Accountants (CICA) to produce the official French translation of IFRS. The CICA translates and reviews the standards mandatory guidance according to procedures established by the IFRS Foundation. This enables the timely production and publication (in electronic format, not as a printed book) of:

- the mandatory part of the standards shortly after they are issued;
- a yearly consolidated version of all French IFRS Standards mandatory text (ie the 'Red Book'); and
- a number of Exposure drafts and other consultation documents in PDF format.

The IFRS Foundation translation group keeps the EC French translation unit and the ANC informed of the progress of the translations and consults with those groups as needed.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Standard for at least some SMEs?

No.

If no, is the adoption of the *IFRS for SMEs* Standard under consideration?

No.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Standard?

Not applicable.

If the jurisdiction has made any modifications, what are those modifications?

Not applicable.

Which SMEs use the *IFRS for SMEs* Standard in the jurisdiction, and are they required or permitted to do so?

Not applicable.

For those SMEs that are not required to use the *IFRS for SMEs* Standard, what other accounting framework do they use?

Not applicable.

Other comments regarding use of the *IFRS for SMEs* Standard?

The ANC has concluded that there is no demand for the *IFRS for SMEs* Standard in France where French GAAP is considered fit for purpose.

The IFRS for SMEs Standard has been translated into French.