

Mr Bruce Mackenzie
IFRS Interpretations Committee Chair
Columbus Building,
7 Westferry Circus
Canary Wharf, London E14 4HD
United Kingdom

Paris, 22 May 2023

March 2023 IFRIC Tentative Agenda Decision – Homes and Home Loans Provided to Employees

Dear Bruce,

Mazars is pleased to comment on the above mentioned IFRS Interpretations Committee Tentative Agenda Decision, published in the March 2023 IFRIC Update.

We agree with the IFRS Interpretations Committee's decision not to add a standard-setting project onto its work plan for the reasons set out in the tentative agenda decision.

That being said, we have concerns regarding how the fact pattern 2 is presented in the Tentative agenda decision: by describing the accounting alternatives presented in the submission without providing any answer, the Interpretations Committee acknowledges both alternatives are possible outcomes.

We want to be sure that the Interpretations Committee actually considers an employee home loan can be accounted for in its entirety as a prepaid employee benefit in the scope of IAS 19 - *Employee Benefits*. We disagree with such outcome. We see the fact that the employee loan is repayable through salary deductions only as a means of settlement. We believe that the only advantage granted by the entity to its employee is providing him with a below-market rate of interest, and that only the off-market feature of the loan should be considered as an employee benefit.

If the Interpretations Committee agrees with our conclusion, we suggest the final agenda decision makes it clear that the first alternative described in the submission is not valid.

Please do not hesitate to contact us should you want to discuss any aspect of our comment letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Edouard Fossat', written over a horizontal line.

Edouard Fossat

Financial Reporting Technical Support