

Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
London
United Kingdom
EC4M 6XH

23 November 2015

Dear Mr Upton

Tentative agenda decision – IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: To what extent can an impairment loss be allocated to non-current assets within a disposal group?

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the September IFRIC Update of the tentative decision not to take onto the Committee's agenda the issue of whether, in a situation in which the carrying amount of those assets exceeds the amount of the impairment loss, the allocation of an impairment loss recognised for a disposal group can reduce the carrying amount of non-current assets that are within the measurement requirements of IFRS 5 to an amount that is lower than their fair value less costs of disposal.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons set out in the tentative agenda decision but recommend that the logic underpinning the Committee's conclusion be made clearer through the following addition.

"The Interpretations Committee understood this to mean that the amount of impairment that should be recognised for a disposal group would not be restricted by the fair value less costs of disposal or value in use of those non-current assets that are within the measurement requirements of IFRS 5 because when they become part of a disposal group these assets are no longer treated as individual assets subject to the allocation of impairment loss restriction of paragraph 105 of IAS 36."

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 20 7007 0884.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'V. Poole', with a stylized, flowing script.

Veronica Poole
Global IFRS Leader