

21 November 2018

Sue Lloyd
Chair
IFRS Interpretations Committee
Columbus Building
7 Westferry Circus
Canary Wharf
London
United Kingdom
E14 4HD

Dear Ms Lloyd

Tentative agenda decision – IAS 27 *Separate Financial Statements*: Investment in a subsidiary accounted for at cost – Partial disposal

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 request for clarification on the accounting for a loss of control of a subsidiary measured at cost in separate financial statements.

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 although we do not find the analogies to IAS 28 *Investments in Associates and Joint Ventures* and to the investment entity requirements of IAS 27 persuasive in terms of the recognition of any difference between cost and fair value when IFRS 9 *Financial Instruments* is first applied. We recommend that this material be replaced in the tentative agenda decision by a simple reference to the requirements of paragraph 88 of IAS 1 *Presentation of Financial Statements* (that an entity shall recognise all items of income and expense in a period in profit or loss unless an IFRS requires or permits otherwise).

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

Yours sincerely



Veronica Poole
Global IFRS Leader