

Mr Wayne Upton
Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
London
United Kingdom
EC4M 6XH

Email: ifric@ifrs.org

22 May 2012

Dear Mr Upton,

Tentative agenda decision: IAS 12 Income Taxes – Accounting for market value uplifts introduced by a new tax regime

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretation Committee's publication in the March 2012 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for Interpretation of IAS 12 *Income Taxes* with respect to the accounting for an uplift of the value of an asset for tax purposes to fair value on introduction of a new tax regime.

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 would note that an important factor in the Committee's analysis is that the tax in question falls within the scope of IAS 12. We believe that this should be stated in the explanation of the request.

We note that the recognition of a significant gain at the time of the market value uplift is likely to necessitate additional explanation in the financial statements of the entities affected, but recognise that this is a necessary consequence of the application of IAS 12 to this regime.

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 Managing Director
IFRS Technical