

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

Email: ifric@ifrs.org

28 November 2012

Dear Mr Upton,

**Tentative agenda decision: IAS 28 Investment in Associates – Impairment of investments in associates in separate financial statements**

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretation Committee's publication in the September 2012 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for interpretation of whether, in its separate financial statements, an entity should apply the provisions of IAS 36 *Impairment of Assets* or IAS 39 *Financial Instruments: Recognition and Measurement* to test for impairment its investments in subsidiaries, joint ventures and associates carried at cost.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda and with the conclusion that investments in subsidiaries, joint ventures and associates accounted for at cost in an entity's separate financial statements in accordance with an accounting policy adopted under paragraph 38 of IAS 27(2008) or paragraph 10 of IAS 27(2011) are subject to the requirements of IAS 36 (although this conclusion differs from the Committee's previous conclusion noted in the July 2009 *IFRIC Update*).

However, it is possible for an investment in a subsidiary, joint venture or associate accounted for under IAS 39 (although not under IFRS 9) to be measured at cost in an entity's separate financial statements in accordance with the requirements of paragraph 46(c) of that standard. Paragraph 66 clearly requires that such an investment is tested for impairment under the requirements of IAS 39.

We believe that the agenda decision should be amended to acknowledge this possibility by stating:

“Consequently, in its separate financial statements, an entity should apply the provisions of IAS 36 to test for impairment its investments in subsidiaries, joint ventures and associates that are carried at cost in accordance with IAS 27(2011) paragraph 10 or IAS 27(2008) paragraph 38(a)”.

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 black ink, appearing to read 'V. Poole', written in a cursive style.

**Veronica Poole**  
Global IFRS Leader  
Technical