

Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
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29 July 2013

Dear Mr. Upton

Tentative Agenda Decision - IFRS 10 *Consolidated Financial Statements*: Effect of protective rights on an assessment of control

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the May IFRIC Update of the tentative decision not to take onto the Committee's agenda a request for clarification on whether a control assessment should be reassessed when facts and circumstances change such that rights previously determined to be protective change (for example, upon the breach of a covenant in a borrowing arrangement that causes the borrower to be in default).

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 make the following points of detail:

- we suggest that the agenda decision include a statement that the reassessment may, or may not, result in a conclusion that control has been obtained to avoid any misconception that reassessment necessarily results in a change; and
- we recommend that the reference to the IASB's redeliberations of IFRS 10 be removed as this statement is made principally on the basis of an agenda paper for the IASB's October 2009 meeting that does not form part of the IASB's authoritative literature.

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