

Wayne Upton  
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Dear Mr Upton

**Tentative agenda decision – IFRS 10 *Consolidated Financial Statements: Investment Entities Amendments*: Definition of investment-related services or activities**

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the November IFRIC Update of the tentative decision not to take onto the Committee's agenda a request for clarification of the definition of 'investment-related services or activities' as it related to 'tax optimisation' intermediate subsidiaries.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda and can accept the Committee's reading of paragraph BC272 of the Basis for Conclusions on IFRS 10 in the context of an entity that exists solely for tax purposes. However, we do not agree that Example 4 of the Illustrative Examples of IFRS 10 is relevant to this consideration and recommend that this reference be removed from the agenda decision.

In addition, we are concerned that, as a result of its reference to the description in the submission of there being "no activity within the subsidiary", the tentative agenda decision could be read as implying that a subsidiary incorporated primarily for 'tax optimisation' purposes can never be deemed to provide investment-related services. In fact, such subsidiaries are often required to provide services such as administration of regulatory or tax filings or governance services around the acquisition and disposal of investments or are also used as financing vehicles. We recommend that the agenda decision be amended to clarify that it relates only to subsidiaries that are incorporated solely for tax optimisation purposes and have no other activities.

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', with a stylized flourish at the end.

Veronica Poole  
Global IFRS Leader