

21 August 2017

Sue Lloyd
Chair
IFRS Interpretations Committee
30 Cannon Street
London
United Kingdom
EC4M 6XH

Dear Ms Lloyd

Tentative agenda decision – IAS 28 *Investments in Associates and Joint Ventures: Acquisition of an associate or joint venture from an entity under common control*

Deloitte Touche Tohmatsu Limited is pleased to respond to IFRS Interpretations Committee's publication in the June IFRIC Update of the tentative agenda decision not to take onto the Committee's agenda the request for clarification on the accounting for an acquisition of an interest in an associate or joint venture from an entity under common control.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda and with the statement that IFRS 3.2(c) does not apply to the acquisition of an interest in an associate or joint venture from an entity under common control.

We also acknowledge the need to consider all facts and circumstances in developing an accounting policy for such transactions. However, we believe that the issues arising from common control transactions, whether a business combination or a transfer of assets, should be addressed holistically, rather than by addressing a narrow class of transaction in an agenda decision as it is then unclear whether a similar approach should be extrapolated as applying in other circumstances. For this reason, we recommend deletion of the statement that "the entity determines the cost of the investment taking into account that transaction with owners".

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