

25 November 2019

Sue Lloyd
Chair
IFRS Interpretations Committee
Columbus Building
7 Westferry Circus
Canary Wharf
London
United Kingdom
E14 4HD

Dear Ms Lloyd

Tentative agenda decision – Presenting Comparative Amounts when a Foreign Operation first becomes Hyperinflationary (IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 29 *Financial Reporting in Hyperinflationary Economies*)

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the September 2019 IFRIC Update of the tentative decision not to take onto the Committee's agenda the request for clarification on whether the entity restates comparative amounts presented for the foreign operation in its annual financial statements for the period in which the foreign operation becomes hyperinflationary and its interim financial statements in the year after the foreign operation becomes hyperinflationary, if the foreign operation was not hyperinflationary during the comparative interim period.

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.

We note by the multiple requests submitted to the Committee that the application of IAS 21 to foreign operations that become hyperinflationary raises questions by stakeholders. To assist in that regards, we believe that it would be useful if the agenda decision confirmed how the requirements of IAS 21 paragraph 42(b) apply to comparative amounts in interim and annual financial statements when the entity has a foreign operation that becomes hyperinflationary and the entity's financial statements are presented in the currency of a non-hyperinflationary economy.

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