

23 May 2022

Bruce Mackenzie
Chair
IFRS Interpretations Committee
Columbus Building
7 Westferry Circus
Canary Wharf
London
United Kingdom

Dear Mr Mackenzie

Tentative agenda decision – Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity (IAS 32)

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the March 2022 IFRIC Update of the tentative agenda decision (TAD) not to take onto the Committee's agenda the request for clarification about applying IAS 32 in relation to the classification of shares issued by a special purpose acquisition company (SPAC) as financial liabilities or equity.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons outlined in the decision.

However, we are concerned with the statement in the TAD that "IAS 32 contains no requirements for assessing whether a decision of shareholders is treated as a decision of the entity". In particular, we are concerned that this could be interpreted to mean that there is no requirement to make the assessment, as opposed to no requirements on *how* to make the assessment (e.g. which factors may be relevant in making the assessment). We suggest that this sentence be removed from the TAD as it is clear from the remainder of the paragraph that "assessing whether a decision of shareholders is treated as a decision of the entity" is required and that this will be considered as part of the Board's Financial Instruments with Characteristics of Equity (FICE) project.

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 and Corporate Reporting Leader

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