



Grupo Latinoamericano
de Emisores de Normas
de Información Financiera
Group of Latin American
Accounting Standard Setters

October 19, 2015

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

RE: Exposure Draft ED 2015/7- Effective Date of Amendments to IFRS 10 and IAS 28

Dear Board Members:

The "Group of Latin American Accounting Standard Setters"¹ – GLASS welcomes the opportunity to comment on the Exposure Draft ED2015/7 - *Effective Date of Amendments to IFRS 10 and IAS 28* (the "ED").

Due process

The discussions regarding the ED were held within a specified Technical Working Group (TWG) created in August 2015. All country-members had the opportunity to appoint at least one member to participate in this TWG. Each standard setter represented in the TWG has undertaken different tasks in their respective countries (e.g. surveys, internal working groups). All results were summarized, and this summary was the platform for the TWG discussion process.

The TWG discussed the different points of view included in the summary during several conference calls. In those calls the TWG developed a final document on the basis of the agreed-upon responses and the technical points of view of its members. Finally, the TWG document was submitted to and approved by the GLASS Board.

Overall Comments

The majority of the constituents of GLASS partially agree with the proposal. We support the proposal as long as early adoption is not allowed. If early adoption is allowed, GLASS would disagree with the indefinite deferral of the modifications.

Additionally, we believe that subsequent deferral of the effective date of recently-issued standards is not a good practice and creates uncertainty for both the preparers and the users of financial information.

Specific comments

Attached please find our specific responses to the questions presented in the ED.

Contact

If you have any questions about our comments, please contact glenif@glenif.org.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'F. Pérez Cervantes'.

Felipe Pérez Cervantes
Chairman
Group of Latin American Accounting Standard Setters (GLASS)

¹ The overall objective of the Group of Latin American Accounting Standard Setters (GLASS) is to present technical contributions with respect to all Exposure Drafts issued by the IASB. Therefore, GLASS aims to have a single regional voice before the IASB. GLASS is constituted by: Argentina (Board), Bolivia, Brazil (Vice Chairman), Chile, Colombia (Board), Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico (Chairman), Panama, Paraguay, Peru (Board), Uruguay (Board) and Venezuela (Board).



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Attachment

**GLASS' Comment Letter on the IASB Exposure Draft on the
Effective Date of Amendments to IFRS 10 and IAS 28**

Question

The IASB proposes to defer indefinitely the effective date of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* until such time as it has finalized amendments, if any, that result from its research project on the equity method. Earlier application would continue to be permitted. Do you agree with this proposal? Why or why not?

GLASS, in general, agrees with the proposal to indefinitely defer the effective date of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* until such time as it has finalized amendments, if any, that result from its research project on the equity method, but only if earlier application is not permitted.

There is little opposition to indefinite deferral of the changes until completion of the research project on the equity method of accounting, as long as early application is not allowed. In this way, such decision has no effect. In other words, no entity will be able to early adopt the changes and create new diversity in practice, in addition to those that already exist.

A minority opinion believes that indefinite deferral should not be allowed, even if early adoption is prohibited.

Finally, we believe that subsequent deferral of the effective date of recently-issued standards (as in the cases of IFRSs 9 and 15), and now the indefinite deferral of these changes, is not appropriate. Such a practice creates uncertainty for entities and the users of financial information.