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

March 21, 2012

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

Dear Board Members,

The "Group of Latin American Accounting Standard Setters" – GLASS[1] welcomes the opportunity to comment on the Exposure Draft ED/2011/7 –*Transition Guidance – Proposed amendments to IFRS 10* (the *ED*) issued in December 2011.

This response summarizes the views of our country-members, in accordance with the following due process.

Due-process

Discussions of the ED were held within a specified Technical Working Group (*TWG*) for the aforementioned ED, created in January 2012. All country-members had the opportunity to designate at least one member to participate in this TWG, and the following countries did so: Uruguay (coordinator of the TWG), Bolivia, Colombia, Ecuador, Mexico and Venezuela.

The summaries presented by each country were compared and discussed, observing that all countries gave the same answers to the two questions included in the ED.

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

Yours sincerely,

Juarez Domingues Carneiro
Chairman
Group of Latin American Accounting Standard Setters (GLASS)

[1] The general objective of the Group of Latin American Accounting Standard Setters (GLASS) is to present technical contributions with respect to all documents issued by the IASB. Therefore, GLASS aims to have a single voice before the IASB. GLASS is constituted by: Brazil (Chairman), Argentina (Vice Chairman), Chile (Board), Mexico (Board), Uruguay (Board), Venezuela (Board), Bolivia, Colombia, Ecuador, Panama, Paraguay and Peru.

GLASS' Comment Letter on the IASB Exposure Draft for Transition Guidance

Question 1:

The Board proposes to clarify the 'date of initial application' in IFRS 10. The date of initial application for IFRS 10 would be 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The Board also proposes to make editorial amendments to paragraphs C4 and C5 of IFRS 10 to clarify how an investor shall adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application is different under IAS 27/SIC-12 and IFRS 10.

Do you agree with the amendments proposed? Why or why not? If not, what alternative do you propose?

Unanimity: All countries represented agreed with the proposed amendments, including clarification that "the date of initial application" must be understood as the beginning of the annual reporting period in which IRFS 10 is applied for the first time. All also agreed with the proposed amendments to paragraphs C4 and C5 clarifying how an investor shall adjust comparative information retrospectively when the consolidation conclusion is different at the date of initial application under IAS 27/SIC-12 and IFRS 10.

Question 2

The Board proposes to amend paragraph C3 of IFRS 10 to clarify that an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same under IAS 27/SIC-12 and IFRS 10. As a result, the Board confirms that relief from retrospective application of IFRS 10 would apply to an investor's interests in investees that were disposed of during a comparative period such that consolidation would not occur under either IAS 27/SIC-12 or IFRS 10 at the date of initial application.

Do you agree with the amendments proposed? Why or why not? If not, what alternative do you propose?

Unanimity: All countries represented agreed with the proposed amendments to paragraph C3 to clarify that only when the consolidation or deconsolidation conclusions are different under IFRS 10 as compared with IAS 27/SIC 12 must investors adjust comparative figures. We also agree that relief from retrospective application of IFRS 10 would apply to an investor's interests in investees that were disposed of during a comparative period such that consolidation would not occur under either IAS 27/SIC-12 or IFRS 10 at the date of initial application. This treatment reduces the burden of adjusting comparative figures avoiding unnecessary costs of transition to the new standard.

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