

---

Buenos Aires, Argentina, November 10, 2021

**IFRS Foundation  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom**

**REF: IFRS IC Tentative Agenda Decisions reached in the September 14 and 15, 2021 meeting**

Dear Board Members,

The “Group of Latin American Standards Setters”<sup>1</sup> (GLASS) appreciates the opportunity to comment on the Tentative Agenda Decisions (TAD) reached by the IFRS IC during its meeting on September 14 and 15, 2021, which included the following topic:

- **Demand Deposits with Restrictions on Use (IAS 7)**

This response summarizes the points of view of the members of the different countries that comprise GLASS, pursuant to the following due process.

#### **Due process**

The discussions regarding the TAD of IFRS IC were held within a specified Permanent Technical Commission (PTC) created in December 2020. All GLASS country-members had the opportunity to appoint at least one member to participate in this PTC. Each standard setter represented in GLASS 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 GLASS discussion process.

GLASS discussed the different points of view included in the summary through emails exchange between its members. In those emails GLASS developed a final document on the basis of the consensual responses and the technical points of view of its members. Finally, the GLASS document was submitted to and approved by the GLASS Board.

#### **Comments:**

GLASS agrees that in the situation described, restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7, in which case the demand deposit would be included as a component of ‘cash and cash equivalents’ in its statement of cash

---

<sup>1</sup> 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 (Chairman), Bolivia, Brazil (Board), Chile (Board), Colombia (Board), Costa Rica (Board), Ecuador, Guatemala, Honduras, Mexico (Vice Chairman), Panama, Paraguay, Peru (Board), Dominican Republic, Uruguay (Board) and Venezuela (Board).

flows, unless the presentation as an separate line item is relevant to an understanding of the entity's financial position.

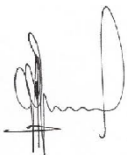
We also agree that it is not necessary for the topic to be included as an agenda item for the IASB and that it is appropriate for a response to be made explicit through the Agenda Decision (AD) process about the reasoning to be used and therefore the application of an adequate accounting treatment of the subject.

It is also agreed that the AD should provide the appropriate bases to determine whether to include demand deposits subject to third-party contractual restrictions on use as a component of cash and cash equivalents in its statements of cash flows and financial position.

### Contact

If you have any questions about our comments, please contact [glenif@glenif.org](mailto:glenif@glenif.org).

Sincerely yours,



**Jorge José Gil**  
Chairman  
Group of Latin American Accounting Standard Setters (GLASS)