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

Buenos Aires, Argentina, 15th November 2024

IFRS Foundation
Columbus Building
7 Westferry Circus
Canary Wharf
London

Dear Board Members

The "Group of Latin American Accounting Standard Setters"[1] – GLASS welcomes the opportunity to comment on Exposure Draft IASB/ED/2024/5 Amendments to IFRS 19 – *Subsidiaries without Public Accountability: Disclosures* (the "ED").

**Due process**

The discussions regarding the ED were held within a specified Technical Working Group (TWG), created in August 2024. All country-members had the opportunity to appoint at least one member to participate in this TWG. Each standard setter represented in the TWG undertook different tasks in their respective countries (e.g. surveys, internal working groups).

The TWG discussed the different points of view included in the summary during several virtual meetings. In those meetings, 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**

In general terms GLASS is in general agreement with the proposals in the ED, which retain, without any modification, the IFRS 19 disclosure requirements for: a) presentation and disclosure in financial statements; b) supplier finance arrangements; c) international tax reform—Pillar Two model rules; d) lack of exchangeability; e) financial instrument classification and measurement; and f) regulatory assets and regulatory liabilities.

GLASS believes that disclosures required in each of the aforementioned topics should be retained as proposed and therefore believes no reduction in disclosure requirements is needed since those requirements are needed for reporting useful information to users of financial statements.

Although in general GLASS does not object to the proposal to remove the disclosure objective within each of the proposals, some of our respondents believe that removing the objectives could impact users and preparers of financial reporting, since the

[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 and ISSB. Therefore, GLASS aims to have a single regional voice before the IASB and ISSB. GLASS is constituted by: Argentina (Chair), Bolivia, Brazil (Board), Chile, Colombia (Board), Costa Rica (Board), Dominican Republic, Ecuador, Guatemala, Honduras, Mexico (Board), Panama, Paraguay, Peru (Board), Uruguay (Board) and Venezuela (Vice Chair).

objective might help them better understand the purpose of the disclosure. Therefore, GLASS recommends that the IASB consider retaining the disclosure objective.

**Specific comments**

Set forth below are our answers to the specific questions included in the ED.

**Contact**

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

Sincerely,


**Hernán P. Casinelli**
Chair, Group of Latin American Accounting Standard Setters (GLASS)

**Question 1—**
*Presentation and disclosure in financial statements*

The IASB is proposing to retain the disclosure requirements in IFRS 19 relating to IFRS 18. The only substantial change proposed is to remove from IFRS 19 the requirements relating to management-defined performance measures. Instead, an eligible subsidiary that uses management-defined performance measures as defined in IFRS 18 would be required to apply the related disclosure requirements in IFRS 18. The IASB is also proposing to remove the disclosure objective in paragraph 137 of IFRS 19 relating to non-current liabilities with covenants.

Do you agree with the proposal to remove from IFRS 19 the requirements for management-defined performance measures and to require an eligible subsidiary to disclose information about these measures if it uses them? If you disagree with this proposal, please explain your reasons.

GLASS agrees with the proposals.

Are there any other disclosure requirements in IFRS 18 that, in your view, are not applicable to eligible subsidiaries and should therefore be removed from IFRS 19? If so, please specify the disclosure requirements and explain your reasons.

The outreach we conducted identified no additional disclosure requirements in IFRS 18 that are not applicable to eligible subsidiaries that should be simplified, modified or otherwise removed from IFRS 19.

Do you agree that following the removal of the disclosure objective in paragraph 137 of IFRS 19, the remaining requirements relating to non-current liabilities with covenants are sufficient and clear?

Please refer to our “overall comments” with respect to the possible elimination of the disclosure objectives.

**Question 2—**
*Supplier finance arrangements*

The IASB is proposing to retain the disclosure requirements in IFRS 19 relating to supplier finance arrangements, with some amendments.

The IASB proposes to delete the disclosure objective previously included in paragraph 167 of IFRS 19, consistent with its decision not to include disclosure objectives in IFRS 19. It also proposes:

a) to add a new paragraph, paragraph 167A, which would include the description of supplier finance arrangements from paragraph 44G of IAS 7; and

b) to amend paragraph 168 of IFRS 19 to remove the reference to the disclosure objective.

Do you agree that including explanatory text in paragraph 167A would be helpful to eligible subsidiaries that elect to apply IFRS 19? Please explain your reasons.

GLASS agrees with the IASB's proposal to add the description of what a supplier finance arrangement is. This proposal is justified because its inclusion will help to better understand the characteristics of such agreements, the forms in which they are known and examples of agreements that are not supplier finance arrangements.

Please refer to our "overall comments" with respect to the possible elimination of the disclosure objectives.

Are there any other disclosure requirements that should be removed from IFRS 19? Please explain your reasons.

We identified no additional disclosure requirements applicable to eligible subsidiaries that shall be simplified, modified or otherwise removed from IFRS 19.

**Question 3—**
*International tax reform—Pillar Two model rules*

The IASB is proposing to retain the disclosure requirements in IFRS 19 relating to the amendments to IAS 12 that introduced:

a) a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and

b) targeted disclosure requirements for affected entities.

The only proposed change is to remove paragraph 198 of IFRS 19 and the reference to a disclosure objective in paragraph 199 of IFRS 19.

Do you agree that following the removal of reference to the disclosure objective, the disclosure requirements in paragraphs 196–199 of IFRS 19 are sufficient and clear? Please explain your reasons.

GLASS agrees with the proposals of the IASB. On the other hand, GLASS believes that the proposal to get rid of paragraph 198 does not represent any significant benefit in applying IFRS 19 since paragraph 199 includes the same essence of the removed paragraph.

Please refer to our "overall comments" with respect to the possible elimination of the disclosure objectives.

**Question 4—**
*Lack of exchangeability*

The IASB is proposing to retain the disclosure requirements in IFRS 19 relating to the amendments for lack of exchangeability issued in August 2023. The IASB amended IAS 21 to require an entity to apply a consistent approach:

a) to assessing whether a currency is exchangeable into another currency; and

b) to determining the exchange rate to use and the disclosures to provide if a currency is not exchangeable.

The only proposed change is to remove from IFRS 19 the disclosure objective and the reference to the amount of detail necessary to satisfy that objective.

Do you agree that following the removal of reference to the disclosure objective, the disclosure requirements in paragraphs 221–223 of IFRS 19 are sufficient and clear?

GLASS agrees with the IASB´s proposals.

Please refer to our “overall comments” with respect to the possible elimination of the disclosure objectives.

Are there any other disclosure requirements that should be removed from IFRS 19? Please explain your reasons.

We identified no additional disclosure requirements applicable to eligible subsidiaries that should be simplified, modified or otherwise removed from IFRS 19.

**Question 5—**
*Financial instruments classification and measurement*

Paragraphs 56A–56D of IFRS 19 were added due to Amendments to the Classification and Measurement of Financial Instruments issued in May 2024. The paragraphs contain disclosure requirements relating to the effect of contractual terms that could change the amount of contractual cash flows as a result of a contingent event that does not directly relate to basic lending risks and costs (such as the time value of money or credit risk).

The amendments to IFRS 19 were made without reducing the disclosure requirements. Having considered the amendments, the IASB proposes not to reduce the disclosure requirements because they provide users of eligible subsidiaries’ financial statements with information about short-term cash flows and obligations, as well as solvency and liquidity.

Do you have comments or suggestions on the proposal not to reduce the disclosure requirements introduced by the amendments to IFRS 7 issued in May 2024? Please

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| explain your reasons.<br><br>GLASS agrees with the proposals. |

**Question 6—**
*Regulatory assets and regulatory liabilities*

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| An entity that applies IFRS 19 and the prospective RARL Standard will be required to apply the disclosure requirements in the prospective RARL Standard. The IASB is proposing to remove the disclosure requirements relating to IFRS 14, which were included in IFRS 19, when the prospective RARL Standard is issued and to amend paragraph 4(b) of IFRS 19 such that the disclosure requirements in the prospective RARL Standard remain applicable. These changes would be consequential amendments in the prospective RARL Standard.<br><br>Table 1 describes the disclosure requirements the IASB has tentatively decided to include in the prospective RARL Standard. Eligible subsidiaries with regulatory assets and regulatory liabilities would be required to apply all these requirements if IFRS 19 were not amended to reduce the disclosure requirements. Table 1 also illustrates which requirements might be reduced if the IASB were instead to apply its principles for developing reduced disclosure requirements for entities applying IFRS 19.<br><br>This Exposure Draft proposes no reductions in disclosure requirements relating to regulatory assets and regulatory liabilities at this stage.<br><br>Are you aware of entities that have regulatory assets and regulatory liabilities within the scope of the IASB's project on rate-regulated activities that would be eligible to apply IFRS 19?<br><br>Only one country member of GLASS represented in our TWG is aware of an entity that holds regulatory assets and regulatory liabilities within the scope of the IASB´s project and is eligible to apply IFRS 19.<br><br>Do you agree that an entity applying IFRS 19 and the prospective RARL Standard should be required to apply all the disclosure requirements in the prospective RARL Standard illustrated in Table 1? If you disagree, please suggest the disclosure requirements in Table 1 that an eligible subsidiary applying IFRS 19 should not be required to apply. Please explain your reasons.<br><br>The aforementioned country member agrees that the entity should apply IFRS 19 and the prospective RARL standard illustrated in Table 1. |

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