



Buenos Aires, Argentina, November 28, 2024

IFRS Foundation
Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

REF: The Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements. Proposed illustrative examples.*(the ED)

Dear members of the Foundation:

The “Group of Latin American Accounting Standard Setters”¹ – GLASS welcomes the opportunity to comment on the Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements. Proposed illustrative examples* (the ED).

This response includes the comments obtained by the members of the different countries that comprise GLASS, pursuant to the following due process.

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 designate at least one member to participate in this TWG. Each standard setter represented in the TWG carried out different tasks in their respective countries (for example, meetings, forums, surveys, internal working groups. All results were compiled and this summary was the basis of the TWG discussion process.

The TWG discussed the different points of view in the virtual meetings and included a summary through emails exchanged between its members. The TWG produced a final document based on the agreed answers and the technical points of view of its members, which was presented to, discussed with and approved by the GLASS Board.

Overall comments

GLASS agrees with the proposed illustrative examples related to climate-related uncertainties to accompany the IFRS Accounting Standards and to be part of a separate document to assist preparers in the application of IFRS Accounting Standards for these cases. Additionally, GLASS proposes to include examples related to the agricultural sector and the incorporation of a generalized tool to guide the analysis of any situation that may generate climate-related uncertainties, suggesting a decision tree as an option that could be appropriate.

Specific comments

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

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, Requests for Information and Discussion Papers issued by the IASB and ISSB, and to generate proposals originated from the regional initiatives. Therefore, GLASS aims to have a unified regional opinion 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).



Contact

If you have any questions about our comments, please contact us via email at glenif@glenif.org.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Hernán P. Casinelli".

Hernán P. Casinelli

Chair

Group of Latin-American Accounting Standard Setters (GLASS)

Question 1—Providing illustrative examples

The IASB is proposing to provide eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The IASB expects the examples will help to improve the reporting of these effects in the financial statements, including by helping to strengthen connections between an entity's general purpose financial reports.

Paragraphs BC1–BC9 of the Basis for Conclusions further explain the IASB's rationale for this proposal.

- (a) Do you agree that providing examples would help improve the reporting of the effects of climate-related and other uncertainties in the financial statements? Why or why not? If you disagree, please explain what you would suggest instead and why.

The IASB is proposing to include the examples as illustrative examples accompanying IFRS Accounting Standards instead of publishing them as educational materials or including them in the Standards.

Paragraphs BC43–BC45 of the Basis for Conclusions further explain the IASB's rationale for this proposal.

- (b) Do you agree with including the examples as illustrative examples accompanying IFRS Accounting Standards? Why or why not? If you disagree, please explain what you would suggest instead and why.

GLASS Response

- (a) GLASS agrees that the illustrative examples will help improve the presentation of information on climate-related uncertainties, as they will provide guidance to preparers in the analysis of other aspects of interest to users of financial information in situations other than those addressed in the ED.
- (b) Based on what is explained in paragraphs FC43 to 45 of the ED, GLASS supports that illustrative examples accompany IFRS Accounting Standards, notwithstanding that they may form part of other educational documents prepared by the IASB and available to preparers.

Question 2—Approach to developing illustrative examples

Examples 1–8 in this Exposure Draft illustrate how an entity applies specific requirements in IFRS Accounting Standards. The IASB decided to focus the examples on requirements:

- (a) that are among the most relevant for reporting the effects of climate-related and other uncertainties in the financial statements; and
- (b) that are likely to address the concerns that information about the effects of climate-related risks in the financial statements is insufficient or appears to be inconsistent with information provided in general purpose financial reports outside the financial statements.



Paragraphs BC10–BC42 of the Basis for Conclusions further explain the IASB’s overall considerations in developing the examples and the objective and rationale for each example.

Do you agree with the IASB’s approach to developing the examples? In particular, do you agree with the selection of requirements and fact patterns illustrated in the examples and the technical content of the examples?

Please explain why or why not. If you disagree, please explain what you would suggest instead and why.

GLASS Response

GLASS agrees with the approach used to develop the examples, as it directs the preparer to the technical sequence necessary to conclude whether or not to add disclosures about uncertainties about climate and other uncertainties in the financial statements.

As an additional suggestion, GLASS proposes the inclusion of examples dealing with uncertainties related to climate, referring to entities in the agricultural sector, since the environment is a fundamental element in their production process and consequently in the performance of their operations.

Question 3—Other comments

Do you have any other comments on the Exposure Draft?

GLASS Response

In line with its response 1(a), GLASS proposes the possibility of incorporating in a separate document, as indicated in paragraph FC45, a decision tree to generally assist in the assessment of any other climate and other uncertainty situations in the financial statements, not considered in the illustrative examples proposed in this ED.

END