
Buenos Aires, Argentina, February 5, 2026

**IFRS Foundation
Columbus Building
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REF: IFRIC Tentative Agenda Decisions reached in the November 25 and 26, 2025 meetings

Dear Committee Members,

The “Group of Latin American Accounting Standard Setters”¹ (GLASS) appreciates the opportunity to comment on the following Tentative Agenda Decision (TAD) reached by the International Financial Reporting Standards Interpretations Committee (IFRIC) during its meeting on November 25 and 26, 2025, which included the following topic:

- **Assessment of a Specified Main Business Activity for the purposes of the Separate Financial Statements of a Parent (IFRS 18)**

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 IFRIC 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 exchanged among 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

Regarding the request received by IFRIC on how a parent company applying IFRS 18 *Presentation and Disclosure in Financial Statements* assesses, for the purposes of its separate financial statements, whether it has a specified principal business activity. In the pattern of events described in the request, the specified principal business activity is investing in unconsolidated subsidiaries.

Content of the inquiry

The request asks whether the parent company, in accordance with IFRS 18, would classify the income and expenses of these subsidiaries in its income statement:

1. in the operating category if it concludes that its principal business activity is investing in unconsolidated subsidiaries; and
2. in the investing category if it concludes that it does not have a principal business activity of investing in unconsolidated subsidiaries.

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 Tentative Agenda Decisions issued by IFRIC. Therefore, GLASS aims to have a single regional voice before the IASB. GLASS is constituted by: Argentina (Chairman), 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 Chairman).

IFRIC noted that assessing whether a parent company's principal business activity is investing in unconsolidated subsidiaries for the purposes of its separate financial statements requires professional judgment, particularly when the parent company has more than one business activity, and it depends on the parent company's specific facts and circumstances. In this case, the entity has adopted measurement at cost.

GLASS opinion

In relation to this matter, GLASS believes, in agreement with the opinion of IFRIC, that IFRS 18 provides an adequate basis for the parent company described in the application to assess, for the purposes of its separate financial statements, whether it has a specified principal business activity, namely, investing in unconsolidated subsidiaries, and therefore a project to amend said IFRS is not required.

However, it is recommended to clarify that the classification in the operating category is because the investment is valued at cost and the entity's main business activity consists of investing in that type of asset. If such investments were measured using the equity method, their results would be classified in the investing category, regardless of the activity [paragraph 55(a) of IFRS 18].

The basis for this clarification is that, when this type of investment is measured using the equity method, the general rule in paragraph 50 does not apply. That general rule states that an entity with a specified principal business activity shall classify in the operating activity certain income and expenses that would have been classified in the investing or financing categories if the activity were not its principal activity.

In GLASS' opinion, IFRIC's agenda decision not to add a draft standard-setting document to the work plan, including the arguments described in the text under analysis, with the additions we suggested, constitutes an adequate response to the query. although in our view the arguments should include the additions we suggest in order for the response to be complete.

Contact

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

Sincerely yours,



Hernán Pablo Casinelli

Chairman

Group of Latin American Accounting Standard Setters (GLASS)