
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:

- **Scope of the Requirement to Disclose Expenses by Nature (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

IFRIC received a request regarding the scope of the requirements in paragraph 83 of IFRS 18 *Presentation and Disclosure in Financial Statements*. Paragraph 75 of IFRS 18 requires an entity to present items in the statement of profit or loss, including:

1. operating expenses (paragraph 75(a)(ii)); and
2. amounts required by IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts* (paragraph 75(b)(c)).

Paragraph 83 of IFRS 18 requires an entity that presents one or more items comprising functionally classified expenses in the operating category of the statement of profit or loss to also disclose, in a single note, the total and amount included in each item for depreciation, amortization, employee benefits, impairment of non-financial assets (and reversals), and write-downs of inventories (and reversals).

The request asks whether the requirements of paragraph 83 of IFRS 18 apply:

1. only when an entity presents the operating expenses listed in paragraph 75(a)(ii) of IFRS 18 by function in the operating category of the statement of profit or loss; or

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 the IFRS IC. 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).

2. when an entity presents any expenses by function in the operating category of the statement of profit or loss, including the expenses listed in paragraphs 75(b) to (c) of IFRS 18.

The request indicates that these expenses could include amounts that have been recognized as part of the carrying amount of an asset; for example, insurance service expense recognized in the statement of profit or loss could include the amortization of insurance procurement costs that were previously capitalized as part of the insurance contract assets.

Content of the Inquiry

IFRIC noted that paragraph 83 of IFRS 18 contains no exceptions or exclusions. This means, for example, that the reason for classifying an expense by function - that is, classifying an expense by function based on an entity's judgment or due to a requirement of an IFRS Accounting Standard - is irrelevant in determining whether an entity should apply paragraph 83.

Therefore, IFRIC concluded that paragraph 83 of IFRS 18 applies when an entity presents any item comprising expenses classified by function in the operating category of the statement of profit or loss, including the expenses classified by function listed in paragraph 75(b)–(c) of IFRS 18. IFRIC noted that, as set out in paragraph B84 of IFRS 18, the amounts disclosed in accordance with paragraph 83 of IFRS 18 need not necessarily be the amounts recognized as an expense in the period. The amounts disclosed could include amounts that have been recognized as part of the carrying amount of an asset. If an entity applying paragraph 83(b) of IFRS 18 discloses amounts that are not the amounts recognized as an expense in the period, it should provide a qualitative explanation for this fact, identifying the assets involved.

GLASS opinion

Regarding this matter, GLASS, in agreement with the IFRIC opinion, believes that IFRS 18 provides an appropriate basis for addressing this issue, noting that in several cases the amounts recognized in profit or loss are not the same as those described by their nature because certain amounts have been part of the entity's asset balance.

In GLASS' opinion, IFRIC's agenda decision not to add a draft standard-setting proposal to the work plan, including the arguments described in the text under analysis, is the appropriate response to the inquiry.

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)