
Buenos Aires, Argentina, September 7, 2026

IFRS Foundation
Columbus Building
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London E14 4HD
United Kingdom

REF: IFRIC Tentative Agenda Decisions reached in the June 16 and 17, 2026 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 June 16 and 17, 2026, which included the following topic:

- **Classification of Income and Expenses from Cash and Cash Equivalents (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.

Fact pattern:

The request received by IFRIC on how an entity classifies income and expenses made in cash and cash equivalents in its consolidated statement of profit or loss, if, in addition to other business activities, its main business activity consists of investing in financial assets and providing financing to customers.

IFRIC Analysis and Conclusions

The IFRIC noted in its analysis that, based on IFRS 18:

1. Paragraph B37 requires an entity to assess whether investing in assets or providing financing to customers constitutes a principal business activity of the reporting entity as a whole;
2. Paragraph 56(a) requires that cash and cash equivalent income and expenses be classified as operating activities, regardless of whether the entity has another specific principal business activity. Therefore, although providing financing to customers is also a principal business activity, the option described in paragraph 56(b)(ii) is not available, and paragraph 57 is not applicable.

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, El Salvador, Guatemala, Honduras, Mexico (Board), Panama, Paraguay, Peru (Board), Uruguay (Board) and Venezuela (Vice Chairman).

GLASS Opinion

Regarding the points raised in the TAD, GLASS suggests the following:

- a) include a specific conclusion as to whether the classification of income and expenses arising from cash flows related to other business activities, as referred to by the entity in its inquiry, should also be presented in the operating category or only those arising from the principal businesses specified as investments in financial assets and customer finance, regardless of the relative importance of the other principal activities;
- b) be more emphatic that paragraph 56(a) is applicable only if the entity's principal activity is investing in financial assets, not in other types of assets. The basis for conclusions in IFRS 18, paragraphs BC136 and BC138, indicate that it is applicable to entities such as insurance companies, investment funds, and banks.

Therefore, if the comments in point a) suggest an interpretation differing from that set out in the standard, they could lead to a clarification of IFRS 18 for its better application, in which case the Agenda Decision would not be appropriate.

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)