
Buenos Aires, Argentina, September 7, 2026

IFRS Foundation
Columbus Building
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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:

- **Assessment of Specified Main Business Activities for a Manufacturer-Lessor (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:

IFRIC analyzed a request concerning how a manufacturer-lessor entity assesses whether, under IFRS 18, the entity's aggregated leasing activity, comprising its finance and operating lease activities, constitutes a primary business activity of providing financing to customers.

The entity jointly manages vehicle sales, finance leases and operating leases within a single line of business. The entity's segments are based on geographic regions rather than product lines; it enters into a refinancing agreement with a bank for each lease, regardless of whether it is a finance or operating lease. The refinancing agreement covers the difference between the cash flows the entity receives and those it would have received from a sale. The refinancing agreements generate interest expense. It uses a subtotal for its aggregated leasing activity, like gross profit, as a key indicator of operating performance.

IFRIC Analysis and Conclusions

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).

IFRIC analyzed whether the entity's aggregate leasing activity, which includes its financial and operating leasing activities, constitutes a main business activity of providing financing to customers.

To classify income and expenses in the operating, investing and financing categories, paragraph 49 of IFRS 18 requires an entity to assess whether it has a specified main business activity of investing in certain types of assets or providing financing to customers.

When considering the specific case, IFRIC observed that applying paragraph B34 of IFRS 18, it is likely that the aggregated leasing activity of the entity is a main business activity consisting of the granting of financing to customers. This assessment is evidenced by the entity's use of a subtotal for its aggregated leasing activity, like gross profit, as an important indicator of operating performance. The classification of some of the entity's leases as operating leases does not preclude its aggregated leasing activity from being of a type that provides financing to customers.

IFRIC concluded that the principles and requirements of IFRS 18 provide an adequate basis for the entity described in the specific case to evaluate whether its aggregated leasing activity constitutes a main business activity of providing financing to customers. Consequently, IFRIC decided that a rulemaking project is not necessary to address the request.

IFRIC believes although paragraph B32 of IFRS 18 does not include an example of operating leases as a type of entity that could provide financing to customers as a principal activity, this is not determinative as such examples are not an exhaustive list.

.GLASS Opinion

Regarding the points raised in the Agenda Decision, GLASS shares IFRIC's view that the fact that some of the entity's leases are classified as operating leases does not preclude the aggregated leasing activity from being characterized as providing financing to customers.

Therefore, GLENIF agrees that a review of IFRS 18 is not necessary in this respect and that the Agenda Decision is the appropriate way to respond to the consultation.

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)