
Buenos Aires, Argentina, September 7, 2026

IFRS Foundation
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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:

- **Labels of Subtotals (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 received a request regarding the labelling of a subtotal in an entity's statement of profit or loss when that subtotal is also a management-defined performance measure. Specifically, the request asked whether the measure's label should explicitly include all items excluded from (or included in) it.

IFRIC Analysis and Conclusions

IFRIC noted that IFRS 18 requirements establish principles that an entity applies when labeling items, including subtotals and management-defined performance measures. For example:

- a) Paragraph 43 requires that the label of a subtotal faithfully represent the characteristics of the subtotal, and similarly, paragraph B134 requires that the label of a management-defined performance measure faithfully represent the characteristics of that measure; and
- b) Paragraph 123 requires an entity to label a management-defined performance measure in a clear and understandable manner that is not misleading to users of the financial statements.

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 observed that it is possible to comply with the applicable labeling requirements without listing all the elements excluded from (or included in) the measure.

IFRIC concluded that the principles and requirements of IFRS 18 provide an appropriate basis for an entity to determine whether the labeling of a subtotal that constitutes a management-defined performance measure should explicitly include all the elements excluded from (or included in) that measure. Consequently, IFRIC decided that a draft standard-setting document was not needed to address the request.

GLASS Opinion

The request concerns the designation of a subtotal in an entity's income statement when that subtotal is also a management-defined performance measure. However, we believe that a subtotal in an entity's income statement, even if it is in addition to those required by IFRS accounting standards, does not meet the definition of a management-defined performance measure, as established in paragraph 117(a). This is because, being in the income statement, it cannot be considered a subtotal that an entity uses in public communications "outside of the financial statements", a point not clarified in the TAD.

We also note that paragraph B118 states the following:

A subtotal of income and expenses that meets the definition of a management-defined performance measure in paragraph 117 is a management-defined performance measure, whether or not it is presented in the statement of profit or loss.

Considering the provisions of that paragraph, we note a potential contradiction with the requirement in paragraph 117(a) and therefore suggest adding a clarification in the Agenda Decision.

Regarding the requirements for labelling additional subtotals or management-defined performance measures, we agree that IFRS 18 provides an adequate basis and that a draft standard is not necessary to address the request.

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)