

14 May 2019

Sue Lloyd
Chair
IFRS Interpretations Committee
Columbus Building
7 Westferry Circus
Canary Wharf
London
United Kingdom
E14 4HD

Dear Ms Lloyd

Tentative agenda decision – Holdings of cryptocurrencies

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the March 2019 IFRIC Update of the tentative decision not to take onto the Committee's agenda the request for clarification on how IFRS Standards apply to holdings of cryptocurrencies.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons set out in the tentative agenda decision. However, we believe that the usefulness of the agenda decision could be enhanced by addressing two recurring issues related to cryptocurrencies that are accounted for under IAS 38: can cryptocurrencies meet the definition to be presented as held for sale under IFRS 5 and how does a holder of cryptocurrencies determine whether the asset should be presented as current or non-current under IAS 1. Addressing these issues appears relevant in the context of a request to clarify *how IFRS Standards apply* to holding of cryptocurrencies.

In addition, we note that the tentative agenda decision highlights the poor definition of cash provided in IFRS Standards. In particular, what are the factors that should be considered when assessing whether the use of an asset as a "medium of exchange and as the monetary unit in pricing goods or services" is sufficiently widespread to support the conclusion that this asset constitutes cash. We agree with the conclusion that cryptocurrencies do not currently constitute cash. However, this conclusion may need to be reassessed in the future and hence it may be useful for the Board to consider whether a more robust definition of cash should be developed.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 20 7007 0884.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Poole', with a stylized, flowing script.

Veronica Poole
Global IFRS Leader