

Mr Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
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22 January 2013

Dear Mr Upton

Tentative agenda decision: IFRS 3 Business Combinations and IFRS 2 Share-based Payment – Accounting for reverse acquisitions that do not constitute a business

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretation Committee's publication in the November 2012 IFRIC Update of the tentative decision not to take onto the IFRIC's agenda a request for clarification of the accounting for transactions in which the former shareholders of a non-listed operating entity become the majority shareholders of the combined entity by exchanging their shares for new shares of a listed non-operating entity which does not constitute a business.

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, but believe that the tentative agenda decision could be made clearer by:

- specifying that the statement that "on the basis of the guidance in paragraph B7 of IFRS 3, the listed non-operating entity is not a business" is an assumption, rather than a conclusion reached based on the description of the transaction (as currently drafted, the description does not include enough detail to reach that conclusion as it only states that the entity is 'non-operating'); and
- stating the reason why a stock exchange listing does not meet the definition of an intangible asset under IAS 38.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Poole', with a stylized flourish at the end.

Veronica Poole
Global IFRS Leader
Technical