

Wayne Upton
Chair
IFRS Interpretations
Committee
30 Cannon Street
London, EC4M 6XH L
United Kingdom

The IFRS Interpretations Committee's tentative agenda decision on IFRS 10 - Consolidated Financial Statements: Definition of investment-related ser- vices or activities

Dear Mr. Upton,

The European Securities and Markets Authority (ESMA) is an independent EU Authority that contributes to enhancing the protection of investors and promoting stable and well-functioning financial markets in the European Union (EU). ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

ESMA has considered the IFRS Interpretations Committee's tentative decision not to add to its agenda the request for clarification it received on the definition of investment-related services or activities related to tax optimisation of intermediate subsidiaries.

ESMA welcomes the fact that the IFRS Interpretations Committee is addressing the issue speedily given that IFRS 10 is currently being implemented for the first time by a large number of European entities. ESMA believes that the analysis of the existing IFRS requirements that the IFRS Interpretations Committee provided in the tentative agenda decision is useful for market participants and could contribute to a more consistent application of IFRS 10 in requiring to measure such intermediate subsidiaries providing activities related to tax optimisation at fair value. In a period when a large number of new standards are applied for the first time, ESMA encourages the IFRS Interpretations Committee to provide timely answers to requests that would come up from emerging practices resulting from the application of other new



standards such as IFRS 11 - *Joint Arrangements*, IFRS 12, - *Disclosure of Interest in Other Entities* and IFRS 13 – *Fair Value Measurement*.

ESMA agrees with the Interpretations Committee’s decision not to add the issue to its active agenda for the reasons stated in the tentative agenda decision.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'S' followed by a vertical line and a horizontal stroke.

Steven Maijoor

Chair

European Securities and Markets Authority