

28 June 2007

Robert Garnett, Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: ifric@iasb.org

Dear Bob,

Proposed agenda decision wording: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*—Plan to sell the controlling interest in a subsidiary

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the May 2007 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* with respect to a plan to sell the controlling interest in a subsidiary.

We support the IFRIC's decision not to take this item to the agenda.

With regard to the first two issues we agree that loss of control is a significant event and, in our view, changes the nature of the entity's interest in the assets and liabilities of the subsidiary. Therefore, we concur with the IFRIC's conclusion.

We believe the Agenda Decision wording regarding the third issue should be clarified and suggest amending it along the following lines:

On the third issue, the IFRIC noted that a disposal group classified as held for sale will also be a discontinued operation if the criteria of paragraph 32 of IFRS 5 are met. The IFRIC considered that this guidance was sufficient and divergence in practice should not develop. The IFRIC also noted that IFRS/US GAAP differences are likely to arise until a common definition of discontinued operations is adopted with a consistent approach to continuing involvement. For these reasons the IFRIC ~~Because the IFRIC did not expect divergence to emerge in practice, it [decided] not~~ to address the issue.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Wild", written over a single horizontal line that extends to the left and right of the signature.

Ken Wild
Global IFRS Leader

cc: Tricia O'Malley, IFRIC Coordinator designate