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Mr Andreas Barckow
Chairman
International Accounting Standards Board
Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4H

By e-mail only – commentletters@ifrs.org

Re: IFRS Interpretations Committee ('Committee') Tentative Agenda Decision: Assessment of a Specified Main Business Activity for the purposes of the Separate Financial Statements of a Parent (IFRS 18)

Dear Mr Barckow,

On behalf of RSM International Limited, a worldwide network of independent audit, tax and consulting firms, we are pleased to comment on the IFRS Interpretations Committee ('Committee') Tentative Agenda Decision: Assessment of a Specified Main Business Activity for the purposes of the Separate Financial Statements of a Parent (IFRS 18).

We concur with the Committee's tentative agenda decision, taking into account the fact pattern outlined in the request. In our opinion, it is possible for an entity's principal business activity to be the investment in unconsolidated subsidiaries. Nevertheless, this determination is a matter of judgement and must be evaluated in light of the parent's particular circumstances and facts.

Additionally, we agree that the principles and requirements set out in IFRS 18 are sufficient, in the context described, to enable a parent to assess whether it has a specified main business activity. We do not consider it necessary for a standard-setting project or further clarification to IFRS 18 regarding this issue at present. However, given that determining whether an entity has a specified main business activity involves significant judgement, we would encourage the IASB to address this topic within the Post-Implementation Review of IFRS 18.

We would be pleased to respond to any questions the Board or its staff may have about any of our response. If you have any questions or comments, please do not hesitate to contact Monique Cole (+1 6172411461; monique.cole@rsmus.com) or Claire Blanton (+44 (0) 207 601 1842; Claire.Blanton@rsm.global).

Yours faithfully,

RSM International

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