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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: Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (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: Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18).

We concur with the Committee's provisional agenda decision, based on the specific circumstances outlined in the submission. In our opinion, since the external derivative is solely utilised to manage the net liability arising from foreign currency exposure, any resulting gains or losses should be categorised within the financing activities. We do not believe it is necessary to present these gains and losses on a gross basis, as paragraph B72 would not apply to the fact pattern outlined in the submission. Additionally, we agree that there is no need for a standard-setting initiative or further clarification to IFRS 18 regarding this issue.

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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