

July 7, 2016

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IFRS Foundation

30 Cannon Street
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Reference: Recognizing Deferred tax liability in an Entity's Acquisitions

The Comitê de Pronunciamentos Contábeis - CPC (Brazilian Accounting Pronouncements Committee)¹ welcomes the opportunity to respond to the Outreach Request - Recognizing Deferred tax liability in an Entity's Acquisitions.

We are a standard-setting body engaged in the study, development and issuance of accounting standards, interpretations and guidance for Brazilian companies.

Considering our jurisdiction considerations, we believe that the case highlighted in the outreach request may have a significant impact in the financial statements. There are also additional effects in our jurisdiction regarding taxation of this transaction. Therefore, we agree with the amendment and the clarification proposed in the consultation, specially in respect to the Board's view in the Basis for Conclusion.

If you have any questions about our comments, please do not hesitate to contact us at operacoes@cpc.org.br.

Yours sincerely,



Silvio Takahashi
Chair of International Affairs
Comitê de Pronunciamentos Contábeis (CPC)

¹The Brazilian Accounting Pronouncements Committee (CPC) is a standard-setting body engaged in the study, development and issuance of accounting standards, interpretations and guidances for Brazilian companies. Our members are nominated by the following entities: ABRASCA (Brazilian Listed Companies Association), APIMEC (National Association of Capital Market Investment Professionals and Analysts), BMFBOVESPA (Brazilian Stock Exchange and Mercantile & Future Exchange), CFC (Federal Accounting Council), FIPECAFI (Financial and Accounting Research Institute Foundation) and IBRACON (Brazilian Institute of Independent Auditors).