



SAS Quadra 05. Bloco J. CFC
Brasilia, Distrito Federal – Brazil
www.cpc.org.br

February 21, 2013

Ms. Sue Ludolph
South African Institute of Chartered Accountants
suel@saica.co.za

RE: Possible IFRIC Agenda Request - Application of Exemption from Preparing Consolidated Financial Statements

Dear Madam,

As requested by you per email on 29 January 2013, we hereby provide the views of the members of the “Comitê de Pronunciamentos Contábeis” - CPC¹ concerning the Brazilian practice in applying the consolidation exemption contained in paragraph 4 of IFRS 10 - *Consolidated Financial Statements*.

Basically, Brazilian parent companies can be exempted from providing consolidated financial statements if it's ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRSs as issued by the IASB. Additionally, this exemption will be available only if such ultimate or intermediate parent is subject to the Brazilian regulations and its consolidated financial statements are made available in Brazil.

The practice described above was included as an additional requirement of a standard issued by the CPC in order to adopt IFRS 10 in Brazil.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Idésio da Silva Coelho Júnior".

Idésio da Silva Coelho Júnior
Deputy chair of international affairs
Comite de Pronunciamentos Contabeis (CPC)

¹ The 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).