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IFRS Interpretations Committee
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Re: IFRS Interpretations Committee tentative agenda decision on Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)

Dear Mr Mackenzie,

We are pleased to have the opportunity to provide our comments on the tentative agenda decision on *Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset)* (IFRS 18) (hereafter "TAD") included in the September 2025 IFRIC Update.

Regarding the views expressed in the TAD, our stakeholders express conflicting opinions:

a) Some prefer the first view (i.e., operating), as the result is more consistent with the general principle of IFRS 18 that identifies the operating category as the default category;

b) Others believe that classification in the same category in which other economic impacts arising from the original transaction would have been recognized, before their elimination on consolidation (i.e., financing), appears more appropriate.

Given this diversity of opinions, in our view it would be preferable for the IFRIS IC to clarify this issue also through an Annual Improvements. This is because IFRS 18 was issued with the aim of making Financial Statements more comparable, and the presence of accounting policy choices leads to differences in practices, which compromise comparability.

Organismo Italiano di Contabilità

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,
Michele Pizzo
(Chairman)