

29 May 2026

International Accounting Standards Board
7 West Ferry Circus
Canary Wharf
London E14 4HD
United Kingdom
Email: commentletters@ifrs.org

Dear Sir/Madam

SAICA SUBMISSION ON TENTATIVE AGENDA DECISION: *REASSESSMENT OF CONTROL (IFRS 10)*

In response to your request for comments on Tentative Agenda Decision – *Reassessment of Control (IFRS 10)*, attached is the comment letter prepared by the South African Institute of Chartered Accountants (SAICA). This comment letter results from deliberations of SAICA’s Accounting Practices Committee (APC), which comprises members from reporting organisations, preparers, regulators, auditors, IFRS specialists, investment analysts and academics.

We thank you for the opportunity to provide comments on this Tentative Agenda Decision.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Prof Ahmed Mohammadali-Haji
Chairperson: APC

Mulala Ratshitanga
Lead: Financial Reporting

Cc: Kedibone Sono
Head: Financial Reporting





Fact pattern

An entity was involved in establishing the purpose and design of an investee at inception (when the investee was established). At that time, the entity concluded, in accordance with IFRS 10, that it controlled the investee. Subsequently, the governing documents of the investee were amended in a way that could result in a change in the investee's relevant activities, as well as the rights of the entity and other parties relating to those relevant activities.

Question

The request considers whether, in accordance with paragraph 8 of IFRS 10, amendments to the investee's governing documents require the entity to reassess whether it retains control the investee.

Findings

Evidence gathered by the Committee to date indicates no diversity in determining whether, in the fact pattern described in the request, the entity reassesses whether it retains control of the investee. Feedback received suggests that, in such circumstances, entities reassess whether they retain control of the investee.

Conclusion

Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee decided not to add a standard-setting project to its work plan.

SPECIFIC COMMENTS

Based on the conclusion reached by the IFRS Interpretations Committee, we agree that sufficient guidance exists and that there is no diversity in IFRS Accounting Standards for the fact pattern as presented.

Notwithstanding the above, we wish to highlight that the original fact pattern submitted to the Committee related to the assessment of BEE (Black Economic Empowerment) trust transactions/structures within the South African regulatory environment. The question focused on the reassessment of control under IFRS 10 and whether the original purpose and design of such structures should continue to be taken into account where the governing documents have subsequently been amended. We observe that this continues to give rise to diversity in practice and therefore remains widespread within the South African context specifically, but also across the African continent where similar structures are put in place.

Accordingly, we recommend that the Committee reconsider the context of the request as it relates to changes in structures established for specific regulatory or policy objectives, including those aimed at promoting equitable economic participation and representation and whether the changes in the governing documents would allow for the reassessment of the purpose of the structure. Given the prevalence of BEE structures and the diversity observed in their application, we request that the Committee consider adding this matter to its agenda for further deliberation, as outlined in the original submission.