



August 7, 2023

Bruce Mackenzie
Chair IFRS Interpretations Committee

IFRS Foundation

Columbus Building
7 Westferry Circus
Canary Wharf
London

Reference: IFRIC Information Request – Payments contingent on continued employment during handover periods

The Comitê de Pronunciamentos Contábeis - CPC (Brazilian Accounting Pronouncements Committee)¹ welcomes the opportunity to respond to the IFRIC Information Request – Payments contingent on continued employment during handover periods

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

We agree with the IFRS Interpretations Committee that such transactions are common in practice. However, we believe that there is a consistent accounting treatment in Brazil by considering most of the contingent payments as remuneration for post combination services, given that in general, the amounts paid to the sellers are equivalent to a remuneration, differing from the fact patterns included in the information request paper. We also believe that the current standards are clear on this respect, and we do not see need for any narrow-scope amendments.

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

Yours sincerely,

Rogério Lopes Mota
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), B3 (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).