



February 4, 2022

International Accounting Standards Board  
IFRS Interpretations Committee  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

Dear Committee Members:

Consejo Mexicano de Normas de Información Financiera (CINIF), the accounting standard setting body in Mexico, welcomes the opportunity to submit its comments on the Tentative Agenda Decisions (TAD) reached by the IFRS Interpretations Committee (the Committee) in its meetings on November 2021. That TAD deals with the issue of Principal versus Agent in a Software Reseller arrangement.

Set forth below you will find our comments on the conclusions reached in the TAD.

### **Overall comments**

We agree with the conclusion reached by the Committee in the TAD that the principles and requirements in IFRS 15 provide an adequate basis for a reseller to determine whether—in the fact pattern described in the request—it is a principal or agent for the standard software licenses provided to a customer. Consequently, we agree with the decision not to add a standard-setting project to the work plan of the IASB.

### **Specific comments**

Our local outreach indicated unanimous agreement that in the situation described, the guidance in IFRS 15 is sufficient.

We agree that the essential aspect to analyze in relationship to the definition of whether an entity is a principal or an agent is the determination of whether the entity controls the specified good or service before that good or service is transferred to a customer.

IFRS 15 establishes that an agent does not control the specified good or service provided by another party before that good or service is transferred to the customer; on the other hand, an entity that is a principal does have such control.

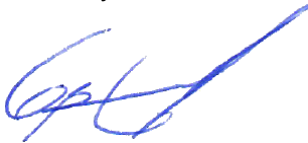
We also agree that the evaluation will ultimately depend on the particular characteristics of each contract, especially when there are clauses that deviate from the typical conditions of the principal-agent relationship and the evaluation must be made by applying the judgment of the entity issuer of the financial

information, weighing the significance of the clauses on this central aspect of control prior to the transference of the asset or service to the client.

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Should you require additional information on our comments listed above, please contact William A. Biese at (52) 55-5433-3070 or me at (52) 55-5403-8309 or by e-mail at [wbiese@cinif.org.mx](mailto:wbiese@cinif.org.mx) or [egarcia@cinif.org.mx](mailto:egarcia@cinif.org.mx), respectively.

Sincerely,



C.P.C. Elsa Beatriz García Bojorges  
President of the Mexican Financial Reporting Standards Board  
Consejo Mexicano de Normas de Información Financiera (CINIF)

Cc: Mr. Tadeu Cendon