

30 January 2025

IFRS Interpretations Committee
7 Westferry Circus,
Canary Wharf
London E14 4HD
United Kingdom

RE: IFRS IC Tentative Agenda Decision – Recognition of Intangible Assets Resulting from Climate related Expenditure (IAS 38)

The Saudi Organization for Chartered and Professional Accountants (SOCPA) welcomes the opportunity to offer its views on the above Tentative Agenda Decision (TAD) discussed by the IFRS Interpretations Committee (the IFRS IC) in November 2024.

As the matter described in the request is an emerging area and entities increasingly incur significant expenditures on climate-related commitments, SOCPA believes this matter should be included in the ongoing work of the Board regarding the intangible assets; at least as illustrative examples. The illustrative examples should focus on addressing the development-phase capitalization criteria in the context of climate-related commitments. This would help ensure consistency in how entities account for such expenditures, thereby avoiding potential diversity in practice.

Please feel free to contact Dr. Abdulrahman Alrazeen at (razeena@socpa.org.sa) for any clarification or further information.

Sincerely,

Dr. Ahmad Almeghames
SOCPA Chief Executive Officer

