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Pauline Wallace
UK Endorsement Board
1 Victoria Street
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Ref: DT/EY

Dear Pauline

Subject: UK Draft Endorsement Criteria Assessment (DECA) on Amendments to IAS 12:
International Tax Reform—Pillar Two Model Rules

On 1 March 2023, Ernst & Young Global Limited issued its comment letter to the IASB supporting the exposure draft which preceded these amendments. In this letter, we welcomed the proposal to introduce a mandatory temporary exception to the requirements in IAS 12 Income Taxes regarding the recognition of deferred tax assets and liabilities related to Pillar Two income taxes. Further, we stressed the need for timely publication of these amendments because some jurisdictions are expected to (substantively) enact Pillar Two Model rules in a way that could affect interim and annual reporting periods ending well before 31 December 2023.

Given the international nature of the Pillar Two Income tax rules, we also believe that it would be inappropriate for UK-Adopted IAS to diverge from IFRS as issued by the IASB in this respect. Consequently, we support the UKEB's proposal to adopt these amendments for immediate use within the UK and we welcome the application of an accelerated process for endorsement. Accordingly, our response to each of the four questions (1, 3, 5 and 7) set out in the Invitation to Comment is "Yes". We have no comments to add in relation to those questions.

Should you wish to discuss the content of this letter, please contact me at the above address or on 0207 951 4079.

Yours sincerely

Ernst & Young LLP
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