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IFRS Interpretations Committee
30 Cannon Street
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Re: IFRS Interpretations Committee tentative agenda decisions published in the November 2017 IFRIC Update

Dear Ms Lloyd,

We are pleased to have the opportunity to provide our comments on the IFRS Interpretations Committee (“the Committee”) tentative agenda decisions included in the November 2017 IFRIC Update.

Our comments refer to the following issues:

- *IFRS 15 Revenue from Contracts with Customers - Revenue recognition in a real estate contract that includes the transfer of land*
- *IFRS 15 Revenue from Contracts with Customers - Right to payment for performance completed to date*

As mentioned in our comment letter on the September 2017 IFRIC Update, we think that the Committee should not discuss the application of IFRS Standards to specific fact patterns, because this may have unintended consequences (ie an entity might apply the Committee’s conclusion to a similar fact pattern that should be accounted for in a different way).

In our view, the Committee should only assess whether the requirements in IFRS Standards are clear or need some clarifications or improvements.

In addition, we disagree with the staff’s decision not to perform outreach on these issues, because the fact patterns described may be not widespread.

Regarding the tentative decision on whether the entity has an enforceable right to payment for performance completed to date, we understand that the contract for the real estate unit states that if the customer cancels the contract, the entity is legally required to make reasonable efforts to resell the real estate unit to a third party and the customer is legally obliged to pay the shortfall between the resale price and the original purchase price (plus selling costs). However, we do not understand if the customer is obliged to pay when the entity is unable to resell the real estate unit to a third party (ie when the resale price is zero).

We believe that this tentative decision demonstrates that the Committee should not discuss how to account for a specific contract, even if a contract seems to be widespread, because a different contractual clause may change the accounting outcome.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,
Angelo Casò
(Chairman)