

**Organismo Italiano di Contabilità – OIC  
(The Italian Standard Setter)**

Italy, 00187 Roma, Via Poli 29  
Tel. 0039/06/6976681 fax 0039/06/69766830  
e-mail: [presidenza@fondazioneoic.it](mailto:presidenza@fondazioneoic.it)

IFRS Interpretations Committee  
30 Cannon Street  
London EC4M 6XH  
United Kingdom  
[ifric@ifrs.org](mailto:ifric@ifrs.org)

12 January 2015

**Re: Interpretations Committee tentative agenda decisions**

Dear Wayne,

We are pleased to have the opportunity to provide our comments on the IFRS Interpretations Committee ('IFRS IC') tentative agenda decision issued in November 2014. IFRS IC has decided not to include on its agenda the following issues regarding IFRS 11:

- *IFRS 11 Joint Arrangements—Classification of joint arrangements: the assessment of 'other facts and circumstances'*
- *IFRS 11 Joint Arrangements—Classification of joint arrangements: application of 'other facts and circumstances' to specific fact patterns*
- *IFRS 11 Joint Arrangements—Classification of joint arrangements: consideration of two joint arrangements with similar features that are classified differently*
- *IFRS 11 Joint Arrangements—Accounting by the joint operator: recognition of revenue by a joint operator*
- *IFRS 11 Joint Arrangements—Accounting by the joint operator: the accounting treatment when the joint operator's share of output purchased differs from its share of ownership interest in the joint operation*
- *IFRS 11 Joint Arrangements—Accounting in separate financial statements: accounting by the joint operator in its separate financial statements*
- *IFRS 11 Joint Arrangements—Accounting by the joint operation: accounting by the joint operation that is a separate vehicle in its financial statements*

OIC agrees with the technical conclusions reached by IFRS IC on these issues.

With regard to the tentative decision: *IFRS 11 Joint Arrangements - Classification of joint arrangements: the assessment of 'other facts and circumstances'* OIC agrees that the assessment of other facts and circumstances should focus on whether those facts and circumstances create enforceable rights to assets and obligations for liabilities. However we disagree with the IFRS IC conclusion that *"sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary"*.

We think that the impact on financial statements of this decision will be significant, because as a consequence of this decision the assessment of other facts and circumstances would lead to most joint arrangements being classified as joint ventures (ie only few joint arrangements will be classified as joint operations, because other facts and circumstances give the parties enforceable rights to assets and obligations for the liabilities of the arrangement). Consequently, we think that this issue should be clarified amending the Standard for example by Annual Improvements Process.

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

Yours sincerely,  
Angelo Casò  
(Chairman)