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Ms Isabel Batista
EFRAG
Avenue des Arts 13-14
B - 1210 Brussels

26 October, 2006

Re : “IFRIC Draft Interpretation D20 *Customer Loyalty Programmes*”

Dear Ms Batista,

We are pleased to provide our comments on the “IFRIC Draft Interpretation D20 *Customer Loyalty Programmes*”.

We agree with the comments you expressed in the draft letter supporting your conclusion that the entity's obligation to provide free or discounted goods and services under customer loyalty programmes be recognised as an expense at the time of the initial sale and measured in accordance with IAS 37. We concur that this approach is easier to apply and produces at least equally relevant and reliable information compared to the deferred revenue approach proposed in D20. In addition, this accounting is the one mostly applied in many countries.

We also agree with your consideration on the sales of awards to third parties. Such transactions should be accounted for in a way consistent with IAS 18 without any other specifications.

Finally, for what it concerns cost benefit analysis, we believe that sharing out the joint project between IASB and FASB on Revenue, for example dealing with the question of the customer loyalty programmes or other in the future separately, is not efficient.

Yours sincerely,

Prof. Angelo Provasoli
(OIC – Chairman)