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Berlin, 19 January 2018

Dear Sue,

IFRS IC's tentative agenda decisions in its November 2017 meeting

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the tentative agenda decisions taken by the IFRS Interpretations Committee (IFRS IC) and published in the November 2017 *IFRIC Update*.

We agree with all three decisions as regards the consequence of not taking those issues onto the agenda as well as the rationale. However, we have some comments on the two IFRS 15 issues that we would like to share with you and that you may find helpful in finalising the agenda decisions.

Therefore, please find some specific comments in the appendix to this letter. If you would like to discuss our views further, please do not hesitate to contact Jan-Velten Große (grosse@drsc.de) or me.

Yours sincerely,

Andreas Barckow

President

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Appendix – Comments on the tentative agenda decisions

IFRS 15 – Revenue recognition in a real estate contract that includes transfer of land ***IFRS 15 – Right to payment for performance completed to date***

Our following comments relate equally to both decisions.

Whilst we agree with both decisions and the respective conclusions, we acknowledge that both conclusions are very detailed and specific to the fact pattern. In particular, the conclusions are very much depending on assumptions and features that are an integral part of the fact pattern described.

This is certainly desirable at a first glance. However, given many other similar (but not identical) fact patterns in reality, it seems unclear whether and to what extent these conclusions could be applied to other fact pattern by analogy. In other words, assessing which of the details in each fact pattern are decisive to (which detail of) the respective conclusions could be challenging.

One way of dealing with this constraint would be to design an answer that allows for being applied to many other (and less specific) fact patterns. Otherwise, such queries could give the impression that the submissions raised are not relevant to a broad number of jurisdictions and constituencies. This impression should be avoided, as this would run counter one of the submission criteria. If the Committee wanted to provide a more nuanced answer, it could provide variations of the fact pattern from which constituents are able to see the tipping point of an answer.