



ASCG • Zimmerstr. 30 • 10969 Berlin

Sue Lloyd
Chair of the IFRS Interpretations Committee
30 Cannon Street
London EC4M 6XH

United Kingdom

IFRS Technical Committee

Phone: +49 (0)30 206412-12

E-Mail: info@drsc.de

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Dear Sue,

IFRS IC's tentative agenda decisions in its September 2019 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 September 2019 *IFRIC Update*.

We fully agree with all **tentative agenda decisions**. However, we suggest that one detail in the reasoning for the tentative agenda decision on IFRS 16 be made more prominent: As the main conclusion (see fourth paragraph) appears to be that the “customer’s right of use” (i.e. the right to direct how and for what purposes an asset is used) mainly depends on whether or not “the customer has the right to make all *relevant* decisions” – which the customer seems to have in this fact pattern –, it should be underlined in this context that “*relevant*” connotes to “*affect[ing] the economic benefits to be derived from the use*”.

In respect of the **final agenda decision on IFRS 15**, we reiterate our concern that we had already addressed upon the respective tentative decision, i.e. not addressing the follow-up question of how to account for compensations that exceed the transaction price. We take the view that this question deserves being addressed by the IFRS IC or the IASB, as, in many cases, the answer on this question could affect the answer on the main question.

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

Contact:

Zimmerstr. 30 D-10969 Berlin
(via Markgrafenstr.19a)
Phone: +49 (0)30 206412-0
Fax: +49 (0)30 206412-15
E-Mail: info@drsc.de

Bank Details:

Deutsche Bank Berlin
IBAN-Nr.
DE26 1007 0000 0070 0781 00
BIC (Swift-Code)
DEUTDE33XXX

Register of Associations:

District Court Berlin-Charlottenburg, VR 18526 Nz
President:
Prof. Dr. Andreas Barckow
Executive Director:
Prof. Dr. Sven Morich