



D20 Comment Letters
International Accounting Standards Board
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Stockholm, November 6, 2006

IFRIC Draft Interpretation D20 – *Customer Loyalty Programmes*

The Swedish Enterprise Accounting Group (SEAG) is a forum for Chief Accountants from the largest Swedish listed companies. The SEAG is administered by the Confederation of Swedish Enterprise, to which most participating companies of the SEAG are joined.

Representing preparers' point of view, the SEAG welcomes the opportunity to comment on the above-mentioned draft interpretation paper.

To our view, the scope of the Draft lacks precision as how to define the transactions where the Interpretation is intended to apply. In our reading the document should be more clearly confined to typical transactions occurring in a business of standardized products, typically prominent in a Business-to-Consumer type of operations. Distinctive for the loyalty programmes are their uniformity to be applicable in the same way for all customers fulfilling the conditions of a certain programme.

At the same time we identify a range of customer loyalty incentives provided by business in an environment characterized by deliveries regarded as "custom made", specially negotiated for and often containing multiple components, normally in a Business-to-Business environment.

This situation has obviously to be taken notice of within the general frame of ongoing project Revenue Recognition. In many cases the current practice leads to application of provisions based on the requirements of IAS 37. In other cases deferred revenue recognition is called for.

We are pleased to be at your service in case further clarification to our comments will be needed.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE

Carl-Gustaf Burén
Secretary of the Swedish Enterprise Accounting Group

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