



D24 Customer Contributions  
Comment Letters  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
UK

Dear Sir/Madam,

In the present letter ICAC has the pleasure to give its view on the IFRIC draft interpretation D24 “Customer Contributions”.

After reading the interpretation, we would like to point out some observations:

**The Scope:**

Firstly we think it is not clear enough what is understood when talking about “access” and the obligations it could or could not involve; it would ease the application of the interpretation to know what the so called “access” in the interpretation is believed to be. In BC 17 and BC19 it seems that the ability to access a supply of goods or services gives rise to an ongoing obligation of the access provider (ongoing access to a supply of goods or services), if such is the case it should be clearly stated in the text of the Interpretation (not only in the BC) as revenue will be recognised as the obligation is settled.

It is not enoughly marked out the type of transactions covered by the interpretation, in the means that when it talks about the asset contributed it doesn’t clarify if the contributor (customer or not) will have always a compensation for it, or if it can also be a grant to the access provider (when as stated in paragraph 4 the asset is “contributed by another party” different from the customer that receives the access to a supply of goods or services”, or in paragraph 17 “the obligation to provide access to a supply of goods or services may be to the contributor of the asset or to another party or parties”)

Additionally, it is not expressly indicated why the asset received, acquired or constructed has to be an item of PPE, or whether the item of PPE may be substituted by the access supplier or not. We believe these indications would help to understand the scope.



**The Consensus:**

ICAC supports the proposal to recognise initially at fair value the item of property, plant and equipment received, acquired or constructed by the access provider.

We do not understand why it is said in paragraph 10 “In some circumstances, the entity may be using the contributor’s asset to provide access to a supply of goods or services. In such cases, the resource is not an asset of the entity”

On the other hand, we don’t fully understand why it is stated in paragraph 20 that the period over which revenue is recognised, that is as access is provided, may be shorter than the useful economic life of the asset, but not longer.

Our view is that these operations should be treated focusing on the nature and substance of each contract, accounting revenue according to IAS 18 as service is rendered, or IAS 20 if it is a grant received.

We agree with IFRIC when it argues in BC23 that the economic effect of a cash contribution is similar to the effect of a contribution of an item of PPE, nevertheless the interpretation covers them separately, when we believe there is no need for such separation, as if the cash contribution meets the criteria for recognition as an item of PPE, the accounting refers to paragraphs 11 and 16-20 of the interpretation.

**Other observations:**

Finally we would like to add that the label of the interpretation may not be the most indicative of the issue treated, we suggest “Access supply by contributed assets (PPE)”.

Please don’t hesitate to contact us if you would like to clarify any point of this letter,

Yours sincerely,

José Ramón Gonzalez  
Chairman of ICAC