

Staff summary of amendments to D24 made in response to comments received

The IFRIC released draft Interpretation D24 *Customer Contributions* for public comment in January 2008 and received 59 comment letters in response. The most significant changes made from D24 in the light of comments received relate to:

- ***Recognition of transferred assets.*** The IFRIC decided to simplify the requirements. It addressed the issue of which entity controls the asset by giving guidance based on the definition of an asset set out in the *Framework*.
- ***Revenue recognition.*** The IFRIC decided that an entity receiving an item of property, plant and equipment from a customer may not always have an obligation to provide ongoing access to a supply of goods or services as a result of the transfer. Therefore, the IFRIC also decided to develop guidance based on paragraph 13 of IAS 18 to help identify the separately identifiable services to be delivered in exchange for the transferred asset.
- ***Title of the Interpretation.*** The IFRIC noted that in some jurisdictions, the term ‘contribution’ has the implication of a donation rather than an exchange transaction. In addition, the IFRIC noted that this term might be difficult to translate into some languages. For that reason, the IFRIC decided to use the term ‘transfer’ and redrafted the Interpretation accordingly.
- ***Illustrative examples.*** The IFRIC decided that illustrative examples should accompany, but not be part of, the Interpretation to help entities apply the Interpretation.