

23 February 2007

Robert Garnett, Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: ifric@iasb.org

Dear Bob,

Proposed agenda decision wording: IAS 17 *Leases*—Sale and Leasebacks with Repurchase Agreements

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the January 2007 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IAS 17 *Leases* with respect to a sale and leaseback with a repurchase agreement.

We support the IFRIC's decision not to take this item to the agenda. We agree that IAS 17, rather than IAS 18, provides the more specific guidance with respect to sale and leaseback transactions. In addition, we agree that an entity should review the substance of the arrangement and that, if the arrangement does not convey a right to use an asset, IAS 17 is not applicable and sale and leaseback accounting should not be applied.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Sincerely,



Ken Wild
Global IFRS Leader

cc: Allan Cook, IFRIC