

Mr Robert Garnett  
Chairman  
International Financial Reporting Interpretations Committee  
30 Cannon Street  
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United Kingdom  
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18 August 2008

Dear Mr Garnett,

**Tentative agenda decision: IAS 18 *Revenue* – Accounting for trailing commissions**

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the July 2008 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IAS 18 *Revenue* with respect to providing guidance on how to account for on-going commission agreements, referred to as trailing commissions, in the particular circumstances where the contractual obligation for the payment/receipt of the commission is not linked to the performance of any future service.

We support the IFRIC's decision not to take this item onto its agenda. We agree that it may be difficult to determine whether an arrangement requires the entity receiving the trailing commission to provide any future services. The issues arising in such arrangements are likely to be similar to those discussed by the IFRIC in its project on revenue recognition in respect of initial fees. The IFRIC removed this project from its agenda as it was unable to reach within a reasonable time frame a consensus on further principles for determining the extent to which an upfront service had been provided.

However, we note that the IFRIC's decision does not address the issue raised in the original submission, i.e. a situation where it is certain that the contractual obligation for the payment/receipt of the commission is not linked to the performance of any future service.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ken Wild", written over a horizontal line.

**Ken Wild**  
Global IFRS Leader