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**International  
Accounting Standards  
Board**

*This observer note is provided as a convenience to observers at IFRIC meetings, to assist them in following the IFRIC's discussion. Views expressed in this document are identified by the staff as a basis for the discussion at the IFRIC meeting. This document does not represent an official position of the IFRIC. Decisions of the IFRIC are determined only after extensive deliberation and due process. IFRIC positions are set out in Interpretations.*

*Note: The observer note is based on the staff paper prepared for the IFRIC. Paragraph numbers correspond to paragraph numbers used in the IFRIC paper. However, because the observer note is less detailed, some paragraph numbers are not used.*

### **INFORMATION FOR OBSERVERS**

**IFRIC meeting: September 2008, London**  
**Project: D24 Customer Contributions: Cover paper**  
**(Agenda Paper 2A)**

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## **Background**

1. At its July 2008 meeting, the IFRIC considered comments received on Draft Interpretation D24, published for comment in January 2008. The IFRIC also discussed an example of a customer contribution for connection to a price-regulated network. The IFRIC generally supported the staff's conclusion that, in the specific facts of the example, the ongoing obligation to provide access arises from the terms of the operating licence not from the contribution. For discussion at the September meeting, the IFRIC directed the staff to:
  - develop indicators based on IAS 18 to help identify whether, in accordance with paragraph 13 of IAS 18, connection services would be identified as a separate component from the ongoing service of providing access to the network;
  - prepare additional examples; and
  - carry over the proposals in D24 in respect of recognition and measurement of the contributed asset.

2. The staff is of the view that it collected sufficient inputs at the July meeting to develop a revised draft Interpretation, taking into accounts the tentative views of the IFRIC and the comments received on D24. This revised draft is set out in agenda paper 2C and its principles are introduced in agenda paper 2B.

### **Agenda papers for this meeting**

3. The following agenda papers are provided:
  - AP 2A — Cover note (this agenda paper)
  - AP 2B — Introduction to the revised draft
  - AP 2C — Revised draft
  - AP 2D — Illustrative examples