

STAFF PAPER

17-18 January 2012

IFRS Interpretations Committee Meeting

Project	IFRIC 12
Paper topic	Cover Note – unsolicited feedback on Agenda paper 7 “Payments made by an operator in a service concession arrangement”
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IFRS Interpretations Committee. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination. Decisions made by the IFRS Interpretations Committee are reported in *IFRIC Update*. The approval of a final Interpretation by the Board is reported in *IASB Update*.

Cover note explaining attachments

1. Following the publication of Agenda paper 7 for the January 2012 IFRS Interpretations Committee meeting¹, we received unsolicited feedback from a constituent.
2. The constituent feedback consisted of:
 - (a) A letter explaining broadly the concerns that the constituent has with certain aspects of the issue being discussed. The main concern of the constituent appears to be related to the accounting for variable concession payments from the operator to the grantor;
 - (b) A presentation that was delivered at the December 2011 IASB Emerging Economy Group meeting illustrating the issue of variable concession payments from the operator to the grantor; and
 - (c) A technical analysis covering concession fees paid in instalments over the concession contract.
3. As requested by the constituent, we have amended the letter to keep the constituent’s details anonymous. However, the authors of the technical analysis

¹ <http://www.ifrs.org/Meetings/IFRS+Interpretations+January+2012.htm>

have consented to having their details made public and so we have not made any changes to this document.

4. Because these documents were received so close to the January 2012 meeting, we will not be specifically asking the Committee to discuss them when we discuss Agenda Paper 7. In addition, in Agenda Paper 7 we recommended that the issue of variable concession payments, which is the issue that the constituent is most concerned with, is considered by the Committee once the IASB's Leases project has been completed.
5. Therefore we recommend that the Committee revisit the documents provided by the submitter when the issue of variable concession payments is addressed.