

STAFF PAPER

January 2016

IFRS Interpretations Committee Meeting

IFRS IC Nov 2014, Jan & Sep 2015

Project	Finalisation of agenda decision
Paper topic	Classification of liability for a prepaid card in the issuer's financial statements
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Introduction

1. In July 2014, the IFRS Interpretations Committee ('the Interpretations Committee') published a tentative agenda decision not to add to its agenda a request to clarify how an entity would classify in the financial statements the issuing of a prepaid card with the following features:
 - (a) no expiry date.
 - (b) cannot be refunded, redeemed or exchanged for cash.
 - (c) redeemable only for goods or services.
 - (d) redeemable only at selected merchants (which may include the entity, but it is not redeemable only with the entity), and depending upon the card programme, the range of merchants with which it can be redeemed, ranges from a single third-party merchant to all merchants that accept a specific card network. Upon redemption by the cardholder at a merchant(s) to purchase goods or services, the entity has a contractual obligation to pay cash to the merchant(s).
 - (e) no back-end fees, which means that the balance on the prepaid card does not reduce unless spent by the cardholder.
 - (f) is not issued as part of a customer loyalty programme.

2. The issue is about whether the entity should classify the obligation as a financial liability or a non-financial liability. The classification of the obligation is important because recognition of unexercised customer rights ('breakage') differs from recognition for a financial liability.
 - (a) in respect of a non-financial liability, breakages are recognised in profit or loss if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
 - (b) however, a financial liability is derecognised only when it is extinguished—ie when the obligation is discharged or cancelled or expires in accordance with IFRS 9 *Financial Instruments* (IAS 39 *Financial Instruments: Recognition and Measurement*). Accordingly, the breakage on the prepaid card could remain in the entity's financial statement until discharged, cancelled or expired.

3. At its meeting in September 2015 the Interpretations Committee discussed this issue. It observed that that the liability of the entity for the prepaid card meets the definition of a financial liability, because the entity:
 - (a) has a contractual obligation to deliver cash to the merchants on behalf of the cardholder, which is conditional upon the cardholder using the prepaid card to purchase goods or services; and
 - (b) does not have an unconditional right to avoid delivering cash to settle this contractual obligation.

4. Consequently, an entity that issues such a card would apply the guidance in IFRS 9 (IAS 39) to determine whether and when to derecognise the liability for a prepaid card.

5. The Interpretations Committee therefore concluded that in the light of the existing guidance in IAS 32 *Financial Instruments: Presentation* and IFRS 9 (IAS 39), neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee tentatively decided not to add this issue to its agenda.

6. On the basis of this discussion and in the light of the existing IFRS requirements, the Interpretations Committee decided to issue a tentative agenda decision that can be found in the [IFRIC Update of September 2015](#).

Purpose of the paper

7. The purpose of this paper is to:
- (a) provide an analysis of the comments received on the tentative agenda decision; and
 - (b) set out the wording for the final agenda decision (see **Appendix A**).

Comment letter analysis

8. The comment period for the tentative agenda decision ended on 23 November 2015. We received **five** responses, from¹:
- (a) Accounting Standards Committee of Germany (DRSC);
 - (b) MAZARS;
 - (c) Accounting Standards Board of Japan (ASBJ);
 - (d) Deloitte; and
 - (e) PwC.
9. All the respondents agree with the Interpretations Committee's tentative decision not to add to its agenda. However, there are some suggestions or observations regarding the rationale described in the tentative agenda decision, as follows:
- (a) more clarification should be provided (ASBJ, Deloitte);
 - (b) this issue should be flagged for a more substantial review of the derecognition requirement in different Standards (DRSC); and

¹ The comment letters from these respondents are attached to this paper (see **Appendix B**).

- (c) the agenda decision should be revised to state that the issuer should apply the guidance in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to allow the issuer to develop an accounting policy that reflects the economic substance of such arrangements (PwC).

10. We will analyse each of these items in the following paragraphs.

More clarification

11. ASBJ thinks that the scope of transactions should be further clarified to narrow down the applicability of the agenda decision, on the basis of the following concerns:

- (a) the recent development of e-commerce transactions has now made a conventional prepaid card transaction take various forms. For example, features of a customer loyalty programme are sometimes embedded in prepaid cards. Such a hybrid scheme includes a prepaid card balance as well as the award credits, which are granted according to various factors (for example, the use of the card for purchasing goods or services or merely visiting stores without purchasing anything). The wording in the draft decision may raise questions as to how such types of hybrid schemes should be accounted for in connection with IFRIC 13 *Customer Loyalty Programmes*, even when they are not issued as part of a customer loyalty programme.
- (b) an issuance of the agenda decision would leave ambiguity as to whether it would have effects on the implementation of IFRS 15 *Revenue from Contracts with Customers* relating to accounting requirements of customer loyalty programmes.

12. Accordingly, the ASBJ suggests the following wording (their proposed new text is underlined and deletions are struck through):

Specifically, the Interpretations Committee discussed a prepaid card only with the following features:

- a. no expiry date.
- b. cannot be refunded, redeemed or exchanged for cash.

- c. redeemable only for goods or services.
 - d. can be used ~~redeemable~~ only at selected merchants (which ~~may does not~~ include the entity itself, ~~however, is not redeemable only with the entity~~), and depending upon the card programme, ranges from a single merchant to all merchants that accept a specific card network. Upon redemption by the cardholder at a merchant(s) to purchase goods or services, the entity has a contractual obligation to pay cash to the merchant(s).
 - e. no back-end fees, which means that the balance on the prepaid card does not reduce unless spent by the cardholder.
 - f. is not issued as part of a customer loyalty programme (regardless if it is provided in the context of sales transactions) nor embed features of a customer loyalty programme therein such that award credits granted under the programme are added to the prepaid card balance.
13. Deloitte recommends that clarity should be provided by stating that a card issued as part of a customer loyalty programme (as referred to in item (f) in the tentative agenda decision) is outside the scope of the Interpretations Committee's decision, regardless of whether an entity is applying IAS 18 *Revenue* and IFRIC 13 or is applying IFRS 15.

Staff analysis

14. If the scheme is part of a customer loyalty programme, we note that it is outside the scope of this issue. However, if a prepaid card includes features of a customer loyalty programme embedded within it, we think that the customer loyalty programme should be analysed separately from the prepaid card. The principle for accounting for the prepaid card should be applied consistently regardless of its legal form. We think that we should reflect these observations in the agenda decision.
15. However, we do not think that we should narrow the scope of the agenda decision by excluding transactions in which the entity itself is involved in the redemption of the card – we think this would limit the usefulness of the agenda decision.

16. In addition, if the agenda decision is clarified with the suggested wording by Deloitte, we think that it would reduce the concern of the ASBJ that the agenda decision could leave ambiguity in the implementation of other complex transactions relating to a customer loyalty programme under IFRIC 13 or IFRS 15. The suggested wording by Deloitte, with some edits to reflect the concern of ASBJ (underlined), is as follows:

f) is not issued as part of a customer loyalty programme nor contains a customer loyalty programme embedded within it.

...

The Interpretations Committee also observed that a card issued as part of a customer loyalty programme is outside the scope of this issue, regardless of whether an entity is applying IAS 18 *Revenue* and IFRIC Interpretation 13 *Customer Loyalty Programmes* or is applying IFRS 15 *Revenue from Contracts with Customers*. If, however, a prepaid card includes a customer loyalty programme embedded within it, the customer loyalty programme should be analysed separately from the prepaid card.

More substantial review for derecognition in different Standards

17. The DRSC wonders whether the derecognition requirements of IAS 39 (or IFRS 9) are the most appropriate, because the derecognition principle in IFRS 15 (or in IFRIC 13) is different. This is because the fact pattern (in particular, the three parties involved) for prepaid cards can be compared to similar events and circumstances, eg points or miles being awarded under a customer loyalty programme.
18. Accordingly, the DRSC suggests that this issue should be flagged for a more substantial review of the derecognition requirements laid down in different Standards.

Staff analysis

19. At the September 2015 meeting, the Interpretations Committee considered the different derecognition requirements IAS 39 and IAS 37. It was also presented with a report on the recent discussion by the US Financial Accounting Standards Board

(FASB) on this issue, which had resulted in a decision to provide a narrow-scope exception² to the guidance in Subtopic 405-20 *Liabilities—Extinguishments of Liabilities*. That exception requires that breakage must be accounted for consistently with the breakage guidance in Topic 606 *Revenue from Contracts with Customers*.

20. However, the Interpretations Committee made a tentative decision on this issue that neither an interpretation nor an amendment is necessary, on the basis that it concluded that the liability in the particular circumstance considered is a financial liability with a demand feature. It also decided against pursuing an exception similar to US GAAP based on its analysis of the IFRS Standards and also through concern that such an exception could lead to unintended consequences.
21. We therefore think that the Interpretations Committee has already considered the derecognition requirements laid down in different Standards, and that a more substantial review, as suggested by the DRSC, would be broader than the scope of work that the Interpretations Committee could undertake. However, we think that we should communicate the DRSC's suggestion to the Board for its consideration.

Revised agenda decision

22. PwC notes that the issue of a prepaid card is outside the scope of IAS 39 or IFRS 9, because the cardholder does not have a financial asset, and there is no specific guidance in IFRS.
23. Accordingly, PwC suggests that the tentative agenda decision should be revised to state that the entity should apply the guidance in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to allow the entity to develop an accounting policy that reflects the economic substance of such arrangements.

² At the December 2015 meeting, the FASB ratified the final consensus reached by Emerging Issues Task Force on this issue. The scope was broadened to include prepaid stored-value products that have economic characteristics that are similar to prepaid stored-value cards (eg, traveller's cheques).

Staff analysis

24. We disagree that there is no specific guidance on this issue. At the September 2015 meeting, the Interpretations Committee observed that the fact that the cardholder does not have a financial asset does not mean that the issuer’s obligation is not a financial liability. The Interpretations Committee tentatively decided that the issuer’s liability is a financial liability on the basis that it meets the definition of a financial liability.

Staff recommendation

25. After considering the comments received on the tentative agenda decision, we recommend that the Interpretations Committee should finalise its decision not to add this issue to its agenda.
26. In finalising this agenda decision, we propose including the edits proposed by Deloitte and reflecting the concern of ASBJ to clarify the scope of the agenda decision. The proposed wording of the final agenda decision is shown in **Appendix A** to this paper.
27. In addition, we think that the suggestion of DRSC regarding a more substantial review on the derecognition requirements in different Standards should be communicated to the Board for its consideration.

Question for the Interpretations Committee

Question for the Interpretations Committee
<p>Does the Interpretations Committee agree with our recommendation to finalise the agenda decision and to make the wording changes as indicated in Appendix A?</p>

Appendix A—Final agenda decision

A1. We propose the following wording for the final agenda decision.

IAS 32 *Financial Instruments: Presentation*—Classification of the liability for a prepaid card in the issuer's financial statements

The Interpretations Committee discussed how an entity would classify the liability when it issues a prepaid card and how the entity would account for the unspent balance of such a card. Specifically, the Interpretations Committee discussed a prepaid card with the following features:

- a) no expiry date.
- b) cannot be refunded, redeemed or exchanged for cash.
- c) redeemable only for goods or services.
- d) redeemable only at selected merchants (which may include the entity, ~~however, but it~~ is not redeemable only with the entity), and depending upon the card programme, the range of merchants with which it can be redeemed, ranges from a single third-party merchant to all merchants that accept a specific card network. Upon redemption by the cardholder at a merchant(s) to purchase goods or services, the entity has a contractual obligation to pay cash to the merchant(s).
- e) no back-end fees, which means that the balance on the prepaid card does not reduce unless spent by the cardholder.
- f) is not issued as part of a customer loyalty programme nor contains a customer loyalty programme embedded within it.

The Interpretations Committee was asked to consider whether the liability for the prepaid card is a non-financial liability, because the entity does not have an obligation to deliver cash to the cardholder.

The Interpretations Committee observed that the liability of the entity for the prepaid card meets the definition of a financial liability, because the entity has a contractual obligation to deliver cash to the merchants on behalf of the cardholder, which is conditional upon the cardholder using the prepaid card to purchase goods or services, and the entity does not have an unconditional right to avoid delivering cash to settle this contractual obligation. The Interpretations Committee decided that even if redemption with the entity is one possibility, the entity's obligation is still a financial liability, because the entity does not have an unconditional right to avoid delivering cash when the cardholder redeems the prepaid card at a third party merchant(s).

The Interpretations Committee also observed that a card issued as part of a customer loyalty programme, is outside the scope of this issue, regardless of whether an entity is applying IAS 18 *Revenue* and IFRIC Interpretation 13 *Customer Loyalty Programmes* or is applying IFRS 15 *Revenue from Contracts with Customers*. If, however, a prepaid card includes a customer loyalty programme embedded within it, the customer loyalty programme should be analysed separately from the prepaid card.

Consequently, an entity that issues such a card would apply the guidance in IFRS 9 *Financial Instruments* (IAS 39 *Financial Instruments: Recognition and Measurement*) to determine whether and when to derecognise the liability for a prepaid card.

The Interpretations Committee therefore concluded that in the light of the existing guidance in IAS 32 *Financial Instruments: Presentation* and IFRS 9 (IAS 39), neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

Appendix B—comment letters submitted

(included in the following page)

23 November 2015

Mr. Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom

Re: Comment on the tentative agenda decision on the IAS 32 *Financial Instruments: Presentation-Classification of the liability of a prepaid card in the issuer's financial statements*

1. The Accounting Standards Board of Japan (the “ASBJ” or “we”) welcomes the opportunity to provide comments on the IFRS Interpretations Committee’s (“the Committee”) tentative agenda decision on the IAS 32 *Financial Instruments: Presentation-Classification of the liability of a prepaid card in the issuer’s financial statements* in the IFRIC Update in September 2015.
2. We generally agree with the Committee’s view that this issue should be addressed by issuing an agenda decision (rather than suggesting the IASB to undertake a project of limited scope amendments to the Standard) as well as its conclusion that a liability for prepaid cards with features explained in the tentative agenda decision meets the definition of a financial liability. However, we believe that the scope of transactions covered by the agenda decision should be clarified further.
3. Against the recent developments of the increased prevalence of e-commerce transactions, a conventional prepaid card transaction now takes various forms, and features of a customer loyalty programme are sometimes embedded in prepaid cards. As an example, a balance of some prepaid cards (as recorded in a digital format) includes not just a prepaid cash balance but also a balance of award credits granted by an entity to customers, and the award credits are given according to various factors (for example, the use of the card for purchasing goods or services or

just visiting stores without purchasing anything). Considering the emergence of such hybrid schemes, we are afraid that wordings in the draft decision may call into questions as to how such types of hybrid schemes should be accounted for in connection with IFRIC Interpretation 13 *Customer Loyalty Programme*, even when they are not *issued* as part of a customer loyalty programme.

4. In addition, many entities are in the process of implementing IFRS 15 *Revenue from Contracts with Customers*, and the Transition Resource Group established jointly by the IASB and the FASB have discussed a number of implementation questions (including issues relating to a customer loyalty programme). Amid the situation, we think it important to clarify the applicability of the draft decision to the requirements of IFRS 15, such that an issuance of the agenda decision would not leave ambiguity as to whether it would have effects on the implementation of IFRS 15 relating to accounting requirements of customer loyalty programme.
5. Without making necessary clarification to the scope of the agenda decision, we worry that there remains ambiguity as to whether an entity could (or should) refer to the agenda decision when determining the accounting treatment of its obligation that has characteristics of both ‘prepaid card’ and ‘customer loyalty programme’.
6. It might be possible for the Committee to try to cover a wide range of schemes comprehensively. However, if the Committee decides to do so, it would need to consider various related issues, including whether the accounting consequences would differ depending on if an entity’s obligation relating to a prepaid card balance can be settled only by a cash payment to selected merchants or it can be settled either by the cash payment or by transferring goods or services to card holders directly. In our view, this would require the Committee to devote substantial amount of time and resources, while the prospect of whether it would be able to reach a conclusion is not sufficiently clear. Taking into the resource constraint, we do not think it a right course of action for the Committee to do so.
7. Accordingly, we recommend that the Committee to finalise the issue by narrowing down the applicability of the agenda decision. Specifically, we suggest the following wording changes (our proposed additions are underlined and deletions are struck-out).

[Excerpt from the draft agenda decision]

A prepaid card only with all of the following features:

- a. no expiry date.

- b. cannot be refunded, redeemed or exchanged for cash.
- c. redeemable only for goods or services.
- d. ~~can be used~~ redeemable only at selected merchants (which ~~may~~ does not include the entity itself, however, is not redeemable only with the entity), and depending upon the card programme, ranges from a single merchant to all merchants that accept a specific card network. Upon redemption by the cardholder at a merchant(s) to purchase goods or services, the entity has a contractual obligation to pay cash to the merchant(s).
- e. no back-end fees, which means that the balance on the prepaid card does not reduce unless spent by the cardholder.
- f. is not issued as part of a customer loyalty programme (regardless if it is provided in the context of sales transactions) nor embed features of a customer loyalty programme therein such that award credits granted under the programme are added to the prepaid card balance.

8. We hope that our comments will be helpful for the Committee's future consideration. If you have any questions, please feel free to contact us.

Yours sincerely



Tomo Sekiguchi

Board Member of the ASBJ

Chairman of the Technical Committee for IFRS Implementation of the ASBJ

Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
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23 November 2015

Dear Mr Upton

Tentative agenda decision – IAS 32 *Financial Instruments: Presentation*: Classification of the liability for a prepaid card in the issuer's financial statements

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the September IFRIC Update of the tentative decision not to take onto the Committee's agenda the question of how an entity would classify the liability when it issues a prepaid card and how the entity would account for the unspent balance of such a card.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons set out in the tentative agenda decision but recommend that clarity be provided by stating that a card issued as part of a customer loyalty programme (as referred to in item (f) of the features of an instrument within the scope of the tentative agenda decision) is outside the scope of the Committee's decision regardless of whether an entity is applying IAS 18 *Revenue* and IFRIC Interpretation 13 *Customer Loyalty Programmes* or is applying IFRS 15 *Revenue from Contracts with Customers*.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 20 7007 0884.

Yours sincerely



Veronica Poole
Global IFRS Leader

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IFRS Technical Committee

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Berlin, 11 November 2015

Dear Wayne,

IFRS IC's tentative agenda decision on IAS 32 and IFRS 5 from the September meeting

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the IFRS IC's tentative agenda decisions regarding IAS 32—*Liabilities for pre-paid cards* and IFRS 5—*Several issues*, which were both published in the September 2015 IFRIC Update.

We partly agree with the tentative decision on the IAS 32 issue that neither an interpretation nor an amendment (or even a clarification) is necessary. We agree with the Committee's finding that, based upon the existing literature applicable to the specific fact pattern, the definition of a financial liability is met. We therefore acknowledge that the requirements of IFRS 9 (or IAS 39) apply as to when, and to what extent, a financial liability shall be derecognised. However, we wonder whether the derecognition requirements pursuant to IAS 39 (or IFRS 9) are the most appropriate in the specific fact pattern, given that the derecognition principle in IFRS 15 (or in IFRIC 13) is different. While IFRS 9 (or IAS 39) only allows for derecognition upon the entity being discharged of its liability or the liability being cancelled or having expired—without considering any probability or remoteness—, IFRS 15 would consider remoteness of redemption when determining the contract liability. As the fact pattern (in particular, the three parties involved) for prepaid cards can be compared to similar events and circumstance, e.g. points or miles being awarded under a customer loyalty programme, we wonder whether different outcomes are warranted for fact patterns that are close to each other. We suggest that this issue be flagged for a more substantial review of the derecognition requirements laid down in different standards.

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Peter Missler (Vice-President)

Further, we do not agree with the set of tentative decisions on several issues relating to IFRS 5. In general, we do not believe that it makes sense to decide upon selected issues relating to IFRS 5 now, whereas several other issues are put on hold until a broader scope project to revise IFRS 5 is initiated. Rather, and as suggested on several occasions, we think IFRS 5 deserves a comprehensive revision.

In particular, we do not agree with the decisions on *allocation of impairment losses to non-current assets* (Issue 5) and on *how to present intragroup transactions between continuing and discontinued operations* (Issue 9), which assume that in both cases sufficient guidance exists, resulting in accounting (only) the way as is proposed in the decision's wording. At least with regard to Issue 9, current accounting practice in our jurisdiction could differ from the IFRS IC's suggestion. For this reason, we object to the finding that there is clear guidance and that no diversity in practice exists.

To provide more detail on issue 9, we concur with the IFRS IC's answer being consistent with the principles of IFRS 10. However, the Committee's answer does not seem to comply with the general idea and principle of IFRS 5, which in our view is to present the continued business as if the discontinued business has already been disposed off. In other words, consolidation principles in IFRS 10 do not fit the purpose of IFRS 5, that we consider being *lex specialis*. Therefore, IFRS 5 might bear an implicit exemption from the consolidation requirements. Under this assumption, we acknowledge at least a need to clarify the hierarchy of IFRS 10 and IFRS 5 in this respect or, otherwise, a need to comprehensively review, and potentially revise and strengthen, the principles of IFRS 5.

If you would like to discuss our views further, please do not hesitate to contact Jan-Velten Große or me.

Yours sincerely,

Andreas Barckow

President



Mr Michael Stewart
Director of Implementation Activities
International Accounting Standards Board
30 Cannon Street
London
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23 November 2015

Dear Mr Stewart

Tentative agenda decision: IAS 32 Financial Instruments: Presentation: Classification of the liability for prepaid cards issued by a bank in the bank's financial statements

We are responding to your invitation to comment on the above tentative agenda decision, published in the September 2015 edition of IFRIC Update, on behalf of PricewaterhouseCoopers. Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of member firms that commented on the tentative agenda decision. 'PricewaterhouseCoopers' refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We agree with the Committee's conclusion that this item should not be taken onto the agenda. However, we disagree with the Committee's observation that an entity that issues a prepaid card would apply the guidance in IFRS 9 Financial Instruments (IAS 39 Financial Instruments: Recognition and Measurement) to determine whether and when to derecognise the liability for a prepaid card.

We note that the guidance in IFRS 9/IAS 39 would require that the liability is not derecognised until it is extinguished, even if it becomes remote that the card will be redeemed. The liability would, in some circumstances, be recognised in perpetuity because a contractual obligation to pay cash never expires for cards without an expiry date. This does not necessarily reflect the economic substance of the transaction. There is also a risk the Committee's conclusion could be applied more widely to circumstances not considered by the Committee.

We agree with the Committee's observation that the liability for the prepaid card meets the definition of a financial liability from the perspective of the issuer. However, we note that the issue of a prepaid card does not give rise to a financial instrument from the perspective of the issuer in the circumstances considered by the Committee because the holder does not have a financial asset. We therefore suggest that the issue of a prepaid card is outside the scope of IAS 39/IFRS 9. We suggest that the agenda decision is revised to state that, because there is no specific guidance in IFRS, an entity should apply the guidance in IAS 8 to develop an accounting policy for the types of arrangements described in the staff paper involving prepaid cards. This would allow an entity to develop an accounting policy that reflects the economic substance of such arrangements.

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Finally, we note that the Emerging Issues Task Force has considered this issue and recommended a breakage model is applied to prepaid stored-value card liabilities. We are concerned that this tentative decision will lead to differences in implementation of the converged revenue standard.

We suggest the Committee reconsiders this question and issues an agenda decision that observes that prepaid card arrangements are outside the scope of IAS 39/IFRS 9.

If you have any questions in relation to this letter please do not hesitate to contact Paul Fitzsimon (+1 416 869 2322).

Yours sincerely

A handwritten signature in black ink that reads "Paul Fitzsimon".

PricewaterhouseCoopers

Mr. Wayne Upton

IFRS Interpretation Committee
30 Cannon Street
London EC4M 6XH
United Kingdom

Paris, November 23, 2015

RE: IFRS Interpretations Committee tentative agenda decisions, September 2015

Dear Wayne,

MAZARS is pleased to comment on the various IFRS Interpretations Committee tentative agenda decisions published in the September IFRIC Update.

We have gathered all our comments as appendices to this letter. Should you prefer us to prepare separate comment letter for each tentative agenda decision, please let us know.

Should you have any questions regarding our comments, please do not hesitate to contact Michel Barbet-Massin (+33 1 49 97 62 27) or Edouard Fossat (+33 1 49 97 65 92).

Best regards,



Michel Barbet-Massin
Head of Financial Reporting Technical Support

Appendix 7

IAS 32 – *Financial Instruments: Presentation* – Classification of the liability for a prepaid card in the issuer’s financial statements (Agenda Paper 4)

We agree with the IFRS Interpretations Committee’s decision not to add this issue onto its agenda, and with the rationale expressed in the tentative agenda decision.