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Berlin, 30 October 2018

Dear Sue,

**IFRS IC's tentative agenda decisions in its September 2018 meeting**

On behalf of the Accounting Standards Committee of Germany (ASCG), I am writing to comment on the tentative agenda decisions taken by the IFRS Interpretations Committee (IFRS IC) and published in the September 2018 IFRIC Update.

We agree with all four final agenda decisions. In respect of the tentative agenda decisions, we do not, or only in part, agree with the reasons behind three of these.

Please find our specific comments in the appendix to this letter. If you would like to discuss our views further, please do not hesitate to contact Jan-Velten Große ([grosse@drsc.de](mailto:grosse@drsc.de)) or me.

Yours sincerely,

*Andreas Barckow*

President

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## Appendix – Detailed Comments

[...]

### ***Tentative decision on IFRS 15 – Assessment of promised goods or services***

We agree with the IFRS IC's finding (by reference to BC87) that before identifying performance obligations, and assessing whether they are distinct, identifying all promised goods or service under the contract is required.

However, we are not convinced by the IFRS IC's analysis how IFRS 15.25 is applied to the fact pattern in the submission. We acknowledge the IFRS IC's observations that (a) the services on initial listing and on all subsequent days are the same and (b) the activities near contract inception are necessary for transferring the service of being listed on the exchange. Though, we do not agree with the IFRS IC's conclusion that, given (a) and (b), the service of being listed is the only service provided under the contract.

Instead, we deem the long list of activities at or near contract inception indicating that the service of *initial* listing ("enabling admission to the exchange") is separate from the service of *ongoing* listing; our view is supported by the fact of an upfront fee being payable explicitly for the initial service. Further, we think that, although not mentioned in the fact pattern, the *initial* listing service can usually be provided without providing the *ongoing* listing service; this would also support our view.

Apart from this, we are not clear about the appropriate revenue recognition pattern for the upfront fee in case (i) there was only one promised service and (ii) there were two services. Specifically, we would not know how one would assess the period over which revenue from the initial listing would have to be recognized.

[...]