

21 August 2017

Sue Lloyd  
Chair  
IFRS Interpretations Committee  
30 Cannon Street  
London  
United Kingdom  
EC4M 6XH

Dear Ms Lloyd

**Tentative agenda decision – IAS 37 Provisions, Contingent Liabilities and Contingent Assets:  
Costs considered in assessing whether a contract is onerous**

Deloitte Touche Tohmatsu Limited is pleased to respond to IFRS Interpretations Committee's publication in the June IFRIC Update of the tentative agenda decision not to take onto the Committee's agenda the request for clarification on which costs should be considered in assessing whether to recognise an onerous contract provision.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda and with its conclusion that the assessment of whether a contract is onerous is within the scope of IAS 37, rather than of IFRS 15 *Revenue from Contracts with Customers*.

We do not, however, think it is appropriate for the question of how the term "unavoidable costs" is interpreted to be addressed by means of an agenda decision. If this is to be clarified, it should be via a full Interpretation or amendment to IAS 37.

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