

6 February 2019

Sue Lloyd
Chair
IFRS Interpretations Committee
Columbus Building
7 Westferry Circus
Canary Wharf
London
United Kingdom
E14 4HD

Dear Ms Lloyd

Tentative agenda decision – IFRS 11 *Joint Arrangements*: Sales of output by a joint operator

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the November IFRIC Update of the tentative decision not to take onto the Committee's agenda the request for clarification on the recognition of revenue by a joint operator whose proportionate right to output over the life of a joint operation differs from the proportion of actual output it receives in a particular reporting period.

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 the following change to provide clarity that no revenue or income should be recognised until the output is sold (whether it is revenue from contracts with customers or other income):

"The Committee concluded that in the fact pattern described in the request, the joint operator recognises revenue that depicts only the transfer of output to its customers in each reporting period, ie revenue recognised applying IFRS 15. This means, for example, that the joint operator does not recognise revenue from contracts with customers or other income for the output to which it is entitled but has not received from the joint operator and sold."

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