

Mr Robert Garnett  
Chairman  
International Financial Reporting Interpretations Committee  
30 Cannon Street  
London  
United Kingdom  
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Email: ifric@iasb.org

**11 February 2010**

Dear Mr Garnett,

**Tentative agenda decision: IAS 39 *Financial Instruments: Recognition and Measurement* -  
Unit of account for forward contracts with volumetric optionality**

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the January 2010 IFRIC Update of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IAS 39 *Financial Instruments: Recognition and Measurement*. The request was with respect to providing guidance on whether a contract that:

- (a) obliges an entity to deliver (sell) at a fixed price a fixed number of units of a non-financial item that is readily convertible to cash; and
- (b) provides the counterparty with the option to purchase, also at a fixed price, a fixed number of additional units of the same item

can be assessed as two separate contracts for the purpose of applying paragraphs 5-7 of IAS 39 *Financial Instruments: Recognition and Measurement*.

We disagree with the IFRIC's decision not to take this item onto its agenda as we believe that the expected date of mandatory application of all the requirements in IFRS 9 is too far in the future (not earlier than January 1, 2013). Given the current diversity in practice in the application of the requirements of IAS 39, that time period is sufficient for the IFRIC to develop an interpretation and for the interpretation to be effective in order to address the existing divergence in practice in the interim period.

Further, we believe that if the IASB addresses the specific issue of contracts with volumetric optionality in deliberating the scope of IFRS 9, it would benefit from any technical analysis and discussion undertaken by the IFRIC.

For these reasons, we urge the IFRIC to take the project onto its agenda and address the issues as a matter of urgency.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'V. Poole', written in a cursive style.

**Veronica Poole**  
Global IFRS Leader - Technical