

Mr Robert Garnett
Chairman
IFRS Interpretations Committee
30 Cannon Street
London
United Kingdom
EC4M 6XH

Email: ifric@ifrs.org

14 February 2011

Dear Mr Garnett,

Tentative agenda decision: IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Inclusion of own credit risk in the discount rate

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretation Committee's ("the Committee") publication in the January 2011 *IFRIC Update* of the redrafted tentative decision not to take onto the IFRS Interpretation Committee's agenda a request for an Interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") with respect to "the risks specific to the liability" and whether this means that an entity's own credit risk (non-performance risk) should be excluded from any adjustments made to the discount rate used to measure liabilities.

We agree with the Committee's decision not to add this item onto its agenda if the IASB is planning to address this issue in the near term. However, the wording in the tentative agenda decision requires revision to be consistent with the wording in the previous tentative agenda decision as published in the Committee's November 2010 *IFRIC Update* and to reflect current practice. We believe that the issue addressed by the tentative agenda decision as to whether discount rates should include an entity's own credit risk is widespread and that diversity in practice currently exists due to different interpretations of the application of paragraph 47 of IAS 37. For this reason, we disagree with the statement in the January 2011 *IFRIC Update* that "the predominant practice today is to exclude own credit risk".

Therefore, we support the wording of the Committee's previous tentative agenda decision.

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', with a stylized flourish at the end.

Veronica Poole
Global Managing Director
IFRS Technical