

Wayne Upton
Chairman
IFRS Interpretations Committee
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Dear Mr Upton

Tentative agenda decision – IFRIC 21 *Levies*: Identification of a present obligation to pay a levy that is subject to a pro rata activity threshold as well as an annual activity threshold

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 a request for clarification on the recognition of a liability for an obligation to pay a levy with an annual activity threshold that is pro rated if the activity is engaged in for only part of the year.

We agree that the conclusion reached in the tentative agenda decision is consistent with paragraph 8 of IFRIC 21 in that it requires recognition of a liability only when payment is triggered under the terms of the relevant legislation. We are, however, concerned by the pattern of expense recognition that may result from the conclusion in the tentative agenda decision and recommend that the Committee consider the need for additional guidance on this issue in respect of this and other levies within the scope of IFRIC 21 given that in many cases there is no guidance in other Standards (as referred to in paragraph 3 of IFRIC 21).

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