

20 November 2017

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

Dear Ms Lloyd

**Tentative agenda decision – IFRS 15 *Revenue from Contracts with Customers*: Revenue recognition in a real estate contract**

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the September IFRIC Update of the tentative decision not to take onto the Committee's agenda the request for clarification on the application of the revenue recognition requirements of IFRS 15 to a specific contract for the sale of a unit in a residential multi-unit complex.

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 would recommend the below amendment to the wording of the tentative agenda decision to highlight the distinction between control of an asset and of a right to sell or pledge that asset in the future.

"In applying paragraph 35(b), it is important to apply the requirements for control to the asset that the entity's performance creates or enhances. In a contract for the sale of a real estate unit that the entity constructs, the asset created is the real estate unit itself. It is not, for example, the right to obtain the real estate unit in the future. The right to sell or pledge ~~at this right~~ to obtain a real estate unit is not evidence of control of the real estate unit itself."

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