

Wayne Upton  
Chairman  
IFRS Interpretations Committee  
30 Cannon Street  
London  
United Kingdom  
EC4M 6XH

18 January 2016

Dear Mr Upton

**Tentative agenda decision – IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*: Accounting for recoverable cash payments**

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 of whether a cash payment made by government to fund a research project that is repayable only if the entity decides to commercialise the project's output should be characterised as a financial liability or a government grant.

Whilst we agree that the conclusion that the specific instrument described is a financial liability is supportable and that judgement is required in determining whether the definitions in IAS 20 are met, we do not believe that the statement in the tentative agenda decision that "many members of the Interpretations Committee thought that the arrangement also met the definition of a forgivable loan" is helpful as this also implies that some members thought that it did not. We recommend that the tentative agenda decision include only statements upon which the Committee as a whole can reach consensus.

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