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International Accounting Standards Board

30 Cannon Street

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**Comments on
IFRIC DRAFT INTERPRETATION D24, “Customer Contributions”**

The Japanese Institute of Certified Public Accountants hereby present out comments on IFRIC DRAFT INTERPRETATION D24, “Customer Contributions.”

1. Examples of transactions to which the Interpretation would be applicable and explanations of terms

We believe that the transactions that are subject to the Interpretation should be explained in the section “Background” (Paragraph 1) or “Scope” (Paragraph 4) by reference to illustrative examples in a more practical manner. We also think that the terms “access” and “access provider” may not be generally known to the public in some regions and thus some examples and explanations should be added in the section of “Definition” (Paragraphs 5 and 6).

2. Qualifications for recognition and measurement of obligation

In Paragraph 11, it states that an entity which receives an asset that meets the definition of a customer contribution has an obligation to provide access to a supply of goods or services, and that the obligation shall be measured on initial recognition at the fair value of the contribution received. However, in consideration of the fact that there is a case where an entity already has an obligation to provide access irrespective of receipt of an asset, the Interpretation should set out the case where an obligation for an asset received is not recognized and recorded as revenue.

3. Deletion of provisions concerning financial lease in Paragraph 14

In Paragraph 14, it states that an entity does not recognise either its asset or obligation in its financial statements as a consequence that the entity has settled its obligation by returning the asset to the customer by way of the finance lease, when it has received an asset as a result of a customer contribution and an ongoing service arrangement contains a finance lease. However, we believe that such an asset should be deemed not to meet the recognition criteria as an asset under Paragraphs 8 and 9 in the first place, and thus Paragraph 14 should be deleted.

Yours faithfully,

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