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Sue Lloyd  
Chair  
IFRS Interpretations Committee  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London  
E14 4HD

25 November 2019

Dear Ms Lloyd

**Tentative agenda decision - IFRS 15 - Training costs to fulfil a contract**

We are pleased to comment on the above tentative agenda decision.

We agree with the IFRS Interpretation Committee's decision not to add this issue to its agenda, and with the reasons set out in the tentative agenda decision.

The tentative agenda decision deals with the accounting for certain costs that fall within the scope of IAS 38, and not IFRS 15. However, the submission notes that some may believe that, if the applicable accounting requirements are those set out in IFRS 15.95-97, the language used in IFRS 15.95 means that the entity does not need to control the resource arising from costs incurred to fulfil a contract.

This point was addressed in the agenda paper that was considered at the IFRS Interpretations Committee's September meeting, which linked the requirements in IFRS 15.95(b) that in order for an asset to be recognised costs must 'generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) performance obligations in the future' with the explanation in IFRS 15.BC308 that '...only costs that meet the definition of an asset are recognised as such...'. We believe, given that the point was raised in the submission, it would be appropriate for the final agenda decision to clarify that in order for any resources arising from costs incurred in fulfilling a contract, that fall within the scope of IFRS 15.95-97, to be eligible to be recognised as an asset the entity must control the resources that arise from those costs.

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We hope that you will find our comments and observations helpful. If you would like to discuss any of them, please contact me at +44 (0)20 7893 3300 or by email at [abuchanan@bdoifra.com](mailto:abuchanan@bdoifra.com).

Yours faithfully

A handwritten signature in black ink that reads "Andrew Buchanan". The signature is written in a cursive, flowing style.

Andrew Buchanan

*Global Head of IFRS*