



Exposure Draft ED/2018/2 *Onerous Contracts-Cost of Fulfilling a contract (Proposed amendments to IAS 37)*
Comment Letter
European Financial Reporting Advisory Group
35 Square de Meeûs
Brussels B-1000
Belgium

Dear Madam/Sir,

In the present letter ICAC gives its view on EFRAG's position presented in your draft comment letter on IASB's Exposure Draft ED/2018/2 *Onerous Contracts-Cost of fulfilling a Contract (Proposed amendments to IAS 37)*.

First of all, ICAC welcomes the IASB's efforts to clarify the requirements in IAS 37 Provisions, Contingent Liabilities and Contingent Assets and agrees with the IASB's objective to amend IAS 37 specifying the costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.

ICAC supports the responses given by EFRAG in its comment letter and we also agree with the recommendation to further discuss the potential impact of the proposed amendments on contracts in the scope of the IAS 37 onerous assessment but not previously in the scope of IAS 11 Construction Contracts.

Additionally, we also agree with the suggestion that the IASB should further assess the guidance on 'direct costs' and 'directly attributable costs' across IFRS Standards whether the differences in terminology and guidance are justified in circumstances and cause any application difficulties.

Please, don't hesitate to contact us if you would like to clarify any point of this letter.

Yours sincerely,



Enrique Rubio Herrera
Chairman of ICAC