

August 15, 2021

IFRS Foundation  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

**SOCPA Comments on Tentative Agenda Decision: Economic Benefits from Use of a Windfarm (IFRS 16)**

**Dear Colleagues,**

The Saudi Organization for Certified Public Accountants (SOCPA) appreciates the efforts of the IFRS Interpretations Committee (Committee) and welcomes the opportunity to comment on the *Tentative Agenda Decision: Economic Benefits from Use of a Windfarm (IFRS 16)*.

We concur with the Committee's conclusion that the principles and requirements in IFRS Standards provide an adequate basis for a customer that enters into an agreement as described in the request to determine whether it has the right to obtain substantially all the economic benefits from use of an identified asset. The fact pattern described in the tentative agenda decision clearly indicates that the contract gives rise to a derivative financial instrument. The contract has nothing to do with the controlling of a physical asset and it does not contain a lease.

Please feel free to contact Dr. Abdulrahman Alrazeen at (razeena@socpa.org.sa) for any clarification or further information.

Sincerely,



**Dr. Ahmad Almeghames**

**Chief Executive Officer**