

Award Credits Exchange Transactions into Customer Loyalty Programmes (IFRIC Interpretation 13) ; Change of Accounting Attributes in Award Credits Exchange Transactions

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“Customer Royalty Programmes” (IFRIC 13) show interpretation about accounting treatment of the customer award credits as the incentive when a customer buys goods or service. At the regulations, the accounting attribute of the award credits is revenue. But in Japan, its attribute is recognized as expensive. The Difference in these attributes has a big influence on accounting treatment. In recent years, the award credits service systems of company, has been actively partnering with other businesses in different industries. And it is becoming more complex and diversifies. The award credits exchange transactions are the revenue shift to another company. The revenue is corresponding to fair value of the award credits that will be realized in the future. And, the obligation to other company is

generated at the same time. The award credits exchange transactions are cases that become the exclusion of IFRS 13 regulations. This is one of the influences by adoption of IFRS.

In this paper, the correspondence of the accounting treatment method for that case is verified. It can explain the correspondence by interpretative to have generated two transactions inevitably at the same time.

The two transactions are as follows ;

One is cancellation of the deferred revenues giving the award credits, in a word, transactions that obligation to deliver goods or service to customer is completed. Another one is generated debt to the other companies at exchange, in a word, transactions in which the award credits of other companies is bought for customer.