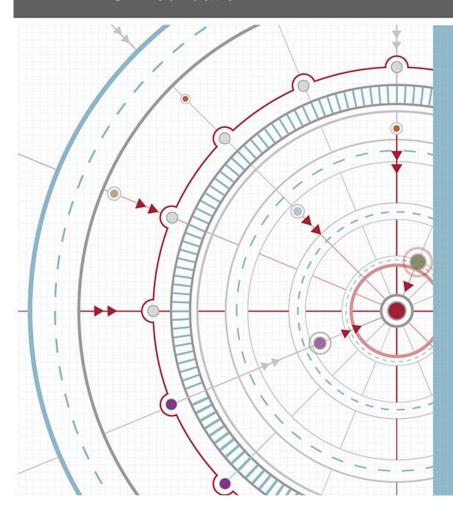
#### IFRS® Foundation



# Application matters: South Africa

**Emerging Economies Group** 

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The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board (the Board) or IFRS Foundation.



## Measurement of payables with deferred payment terms

- The Problem
  - ☐ IFRS 15 deals with sellers side of significant financing:
    - it aligns the accounting for the sale (revenue) and
    - the receivable by allowing the same relief for both
  - ☐ However there is no equivalent relief for the purchase side
    - the purchase must be accounted for at face value
    - the payable is recorded at fair value of the receivable
    - thus there is a day 1 'mismatch'
  - Some questions also about terminology eg 'normal credit terms'



## Measurement of payables with deferred payment terms

- Questions for EEG
  - Do you agree there is tension with the current requirements?
  - What payment terms are common in your jurisdiction?
  - What are current interest rates in your jurisdiction?
  - Do you believe the IASB should address the issue?



#### **Contact us**

