
IASB® meeting

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Project **Post-implementation Review of IFRS 15**

Topic **Background**

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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB® *Update*.

Purpose and structure

1. This paper provides:
 - (a) background on the International Accounting Standards Board's (IASB's) previous discussions about the post-implementation review (PIR) of IFRS 15 *Revenue from Contracts with Customers* (paragraphs 4–8);
 - (b) an overview of the outreach activities carried out in phase 1 of the PIR (paragraphs 9–13);
 - (c) an overview of the Transition Resource Group's (TRG's) discussions (paragraphs 14–19);
 - (d) an overview of the IFRS Interpretations Committee (IC) agenda decisions relating to IFRS 15 (paragraph 20);
 - (e) an update on the US Financial Accounting Standards Board's (FASB's) post-implementation review of Topic 606 *Revenue from Contracts with Customers* (paragraphs 21–30); and

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- (f) an overview of the simplifications that the IASB proposed in the [Exposure Draft Third Edition of the IFRS for SMEs Accounting Standard](#) in respect of accounting for revenue from contracts with customers (paragraphs 31–35).
2. Appendix A to this paper summarises the differences between IFRS 15 and Topic 606.
3. This paper does not include staff analysis or recommendations and the IASB is not asked to make any decisions based on this paper. The staff welcome questions or comments from IASB members on the matters set out in this paper.

Background

4. In [November 2021](#) the IASB decided to begin the PIR of IFRS 15 in the second half of 2022. In [September 2022](#) the IASB discussed the plan for phase 1 of the PIR (identification of matters to be examined).
5. Consistent with the requirements set out in the [Due Process Handbook](#) and the summary on the [post-implementation reviews](#) projects page, the objective of a PIR is to assess whether the effects of applying the new requirements on users of financial statements, preparers, auditors and regulators are as intended when the IASB developed those new requirements.
6. During phase 1 outreach IASB members and staff met with preparers, auditors, users of financial statements, regulators and standard-setters (see paragraphs 9–13). The purpose of the phase 1 outreach was to provide the IASB with sufficient information to identify the matters for which it will seek further feedback through the request for information (RFI). The IASB will analyse responses to the RFI in phase 2 of the PIR to assess whether the requirements in IFRS 15 are working as intended, and whether to take any action on matters identified in the PIR.

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7. To meet the objective of the PIR discussed in paragraph 5, we asked stakeholders questions which would enable the IASB to assess whether:
- (a) there are fundamental questions (i.e., ‘fatal flaws’) about the clarity and suitability of the core principle and the revenue recognition model in IFRS 15;
 - (b) the benefits to users of financial statements of the information arising from applying the IFRS 15 requirements are significantly lower than expected (for example, there is significant diversity in application); or
 - (c) the costs of applying the IFRS 15 requirements and auditing and enforcing their application are significantly greater than expected (or there is a significant market development since the requirements were issued for which it is costly to apply them consistently).
8. During phase 1 of the PIR the staff also considered:
- (a) [questions raised to the TRG](#);
 - (b) matters covered by the [IC agenda decisions relating to IFRS 15](#);
 - (c) the findings of the [FASB’s PIR of Topic 606](#);
 - (d) simplifications to revenue requirements proposed in the Exposure Draft *Third Edition of the IFRS for SMEs Accounting Standard*; and
 - (e) academic research relevant to this PIR (see Agenda Paper 6F *Review of academic literature*).

Outreach activities in phase 1 of the PIR

9. During phase 1 outreach IASB members and staff attended more than 40 outreach events and spoke to a wide range of stakeholders from across the world including preparers, users of financial statements, auditors and regulators.
10. As part of this outreach, we spoke to the following consultative bodies:
- (a) Accounting Standards Advisory Forum;

- (b) Capital Market Advisory Committee;
 - (c) Global Preparers Forum;
 - (d) Emerging Economies Group; and
 - (e) Islamic Finance Consultative Group.
11. We attended more than 20 meetings with preparers from various industries and regions.
12. To gather the information needed for the IASB to make the assessments required by the objective of the PIR discussed in paragraph 5, we asked stakeholders to comment on:
- (a) their overall assessment of IFRS 15, including whether the Standard has met its objective of establishing the principles for reporting useful information about revenue to users of financial statements;
 - (b) application matters that in their view should be examined in the RFI, including the prevalence, cause and effect of each matter, whether the matter existed under the previous revenue requirements and any suggestions for resolving the matter;
 - (c) the challenges they faced during the transition to IFRS 15 and the transition methods they applied; and
 - (d) benefits and costs of implementing and applying IFRS 15, including the importance of convergence with the FASB's Topic 606.
13. The questions were adjusted for some stakeholder groups such as users of financial statements. The questions for users focused on the usefulness of the information provided by entities applying IFRS 15, including whether:
- (a) the information is useful for users' analysis of the timing and the amount of an entity's revenue;
 - (b) disclosures provided under IFRS 15 are more informative than under previous revenue requirements;

- (c) the information is comparable between different entities within an industry and between different industries; and
- (d) the information provided on transition to IFRS 15 was useful in understanding the changes in revenue recognition.

TRG discussions

14. The IASB and the FASB (the boards) jointly developed IFRS 15 and Topic 606 with the aim of clarifying the principles for recognising revenue and developing a common revenue standard. When issued in May 2014, the standards were largely converged, except for some minor differences, which are listed in Appendix A.
15. In June 2014, the boards announced the formation of a joint Transition Resource Group (TRG) to support implementation of IFRS 15 and Topic 606. The TRG met jointly on six occasions in 2014 and 2015 to discuss potential implementation issues submitted by stakeholders.
16. The matters discussed by the joint TRG included:
 - (a) identifying performance obligations;
 - (b) principal versus agent considerations;
 - (c) licensing;
 - (d) practical expedients in respect of the following:
 - (i) accounting for contract modifications that occurred before transition to IFRS 15;
 - (ii) accounting for a contract completed before transition to IFRS 15—for entities electing to use the full retrospective transition method; and
 - (iii) assessing whether a sales tax (or a similar tax) is collected on behalf of a third party;
 - (e) collectability;

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- (f) measuring non-cash consideration;
 - (g) timing of revenue recognition;
 - (h) accounting for variable consideration;
 - (i) contract cost assets, their amortisation and impairment;
 - (j) scope of the Standard; and
 - (k) disclosure requirements.
17. The TRG determined that the requirements in IFRS 15 sufficiently address most of the topics mentioned in paragraph 16. However, five topics mentioned in paragraphs 16(a)–(c) and 16(d)(i)–(ii) resulted in the IASB issuing [Clarifications to IFRS 15 Revenue from Contracts with Customers](#) in April 2016. Those clarifications became effective at the same time as the rest of the Standard—for annual reporting periods beginning on or after 1 January 2018.
18. Following the TRG discussions, including some FASB only TRG discussions, the FASB also issued a number of amendments to Topic 606. Similar to the IASB, the FASB addressed the topics mentioned in paragraphs 16(a)–(c) and 16(d)(i)–(ii). In addition, the FASB’s amendments addressed topics mentioned in paragraphs 16(e)–(f) and 16(d)(iii), for which the IASB decided not to issue amendments or clarifications concluding that IFRS 15 provides sufficient guidance.
19. The differences between IFRS 15 and Topic 606 which resulted from amendments issued after the TRG discussions are listed in Appendix A. Appendix A also includes an overview of differences between revenue recognition in IFRS Accounting Standards and US GAAP arising from other standards.

IC agenda decisions relating to IFRS 15

20. After IFRS 15 became effective the IC discussed a number of application matters relating to the Standard and published nine [agenda decisions](#) discussing:

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- (a) agent-principal designation in software distribution industry;
 - (b) real estate revenue accounting (three agenda decisions);
 - (c) borrowing costs and costs to fulfil a construction contract (two agenda decisions);
 - (d) compensation for delays or cancellations in airline industry;
 - (e) accounting for upfront listing fees; and
 - (f) accounting for training costs.

FASB's PIR of Topic 606

21. The FASB's PIR process differs from the IASB's process. The FASB is conducting a PIR of Topic 606 in three stages:¹
- (a) Stage 1 PIR activities started after Topic 606 was issued in 2014. The activities focused on monitoring and assisting stakeholders with the implementation of the new standard.
 - (b) In 2018, following the adoption of Topic 606 by public companies, the FASB began stage 2 PIR activities for public companies to evaluate the costs and benefits associated with Topic 606. Stage 2 PIR activities also include evaluation of the costs and benefits associated with Topic 606 for non-public entities.
 - (c) Stage 3 will conclude the PIR with a Summary of Research and Reporting.
22. By July 2021 the FASB staff had completed the majority of the stakeholder outreach for public companies and by September 2022²—for non-public entities. The FASB

¹ See July 2021 FASB [Board Meeting Handout Post-Implementation Review of Topic 606 Revenue from Contracts with Customers](#).

² See September 2022 FASB [Board Meeting Handout Post-Implementation Review of Topic 606 Revenue from Contracts with Customers](#).

- conducted outreach with 139 stakeholders, including 61 users of financial statements, on the PIR of Topic 606 for public companies and with 48 stakeholders on the PIR for non-public entities. The outreach included a preparer survey of 42 public companies and 13 non-public entities.
23. We have reviewed the findings of the FASB's PIR to date focusing on the findings for public companies. Although IFRS 15 and Topic 606 are substantially converged, some of the FASB's PIR findings may differ from the IASB's findings due to differences between the previous US GAAP and IFRS revenue recognition requirements and due to differences between the current requirements summarised in Appendix A.
 24. Overall, stakeholders' feedback on Topic 606 was positive. Users of financial statements generally agreed that Topic 606 results in more useful and transparent information than previous revenue recognition requirements, especially through improved disclosures, and achieves its expected benefits for a majority of sectors. Although there were some challenges to understand revenue trends during the transition period, the costs incurred by users were mostly one-time occurrences.
 25. Some users that focus on sectors, such as software and licensing, observed reduced comparability resulting from the changes made to the revenue recognition timing and measurement under Topic 606. As a result, those users have been using some non-GAAP metrics (such as annual recurring revenue (ARR), average contract duration, etc.) in their analyses and would prefer that disclosure of revenue disaggregated by recognition timing (point in time versus over time) be required. Particularly, some users said that upfront revenue recognition in certain sectors does not align with the economics of the transactions and creates comparability issues with companies that recognise similar transactions over time.
 26. Many preparers commented that the implementation of Topic 606 was challenging, and they incurred costs, primarily one-time costs, in the areas such as personnel (including redeploying current employees and hiring external consultants or hiring new employees), audit, and IT systems. However, preparers generally agreed that over

the long term, revenue recognition changes were viewed positively. Many preparers also noted that Topic 606 had no material effects on their financial statements amounts. Most preparers that responded to the survey noted that they applied the modified retrospective transition method and used one or more practical expedients for transition allowed under Topic 606.

27. The key challenging areas of Topic 606 identified during the PIR for public companies were as follows³:
- (a) *Principal versus agent*—identifying the customer and determining which party controls the good or service before it is transferred to the customer.
 - (b) *Licensing*—determining when a licence is distinct from other services in the contract (such as software with updates) and allocating the total transaction price when the contract includes a sales-based or usage-based royalty.
 - (c) *Variable consideration*—applying the guidance on estimates of variable consideration (especially for contracts with sales or usage-based royalties that are not licences of intellectual property (IP)) and determining when and how estimated amounts should be constrained.
 - (d) *Stand-alone selling price (SSP)*—estimating SSP in certain situations, especially when the new performance obligation has never been sold on a standalone basis or has little or no cost basis (or an undeterminable cost basis). The guidance on allocating a discount and determining SSP using the residual method could be further clarified.
 - (e) *Short-cycle manufacturing*—applying the criteria (such as enforceable right to the payment) for determining whether revenue should be recognised over time or at a point in time for companies that manufacture assets under short-term contracts with customers.

³ The issues were discussed at the July 2021 FASB board meeting ([Board Meeting Handout Post-Implementation Review of Topic 606 Revenue from Contracts with Customers](#)) and an update on the staff research was provided at the September 2022 FASB board meeting ([Board Meeting Handout Post-Implementation Review of Topic 606 Revenue from Contracts with Customers](#)).

- (f) *Incremental costs of obtaining a contract*—determining, in some situations, which costs should be capitalised and determining the amortisation period.
 - (g) *Identifying performance obligations*—assessing the nature of a promise and whether or not goods or services are distinct. Conclusions about separation of performance obligations can have an effect on the timing of revenue recognition.
 - (h) *Disclosures*—No significant issues were identified with the disclosure requirements. However, the FASB staff has performed research on considering potential improvement to the disclosures, such as providing more specific disclosure requirements on disaggregated revenue.
 - (i) *Accounting for consideration payable to a customer*—identifying the customer and determining which payments should be accounted for as a reduction to revenue and if consideration payable to a customer exceeds the reporting period revenue clarifying if revenue can be a negative amount.
28. The key challenging areas of Topic 606 identified during the PIR for non-public entities were largely similar to those identified by public companies with the following exceptions:
- (a) *Accounting for consideration payable to a customer* (as explained in paragraph 27(i)) was not mentioned as a challenging issue for non-public entities.
 - (b) *Presentation of retainage* was identified as an additional issue. The PIR suggested that there is diversity in practice on how entities report retainage (a percentage of contract amount held back from a contractor until performance requirements are met), specifically in the construction industry. For example, there are different opinions on whether retainage on an in-process contract for which work still needs to be performed is a contract asset/liability or a contract receivable.
29. The staff observe that all key challenging areas identified in the FASB's PIR for public companies (paragraph 27) were also identified in the phase 1 outreach of the

IASB's PIR, although specific matters highlighted within some of the areas and the prevalence of those matters may differ. Agenda Papers 6C–6D summarise stakeholders' feedback on these areas and on additional challenges in applying IFRS 15 identified in our phase 1 outreach, including applying the criteria for over time revenue recognition and accounting for sales or similar taxes. In addition, Agenda Paper 6E summarises feedback specific to the PIR of IFRS 15 that relates to challenges arising from the interaction between IFRS 15 and other IFRS Accounting Standards.

30. The FASB continues to monitor the matters identified in their outreach activities and is planning to issue the final PIR report in 2024. As noted in Agenda Paper 6B and in FASB's 2021 [Board Meeting Handout Post-Implementation Review of Topic 606 Revenue from Contracts with Customers](#), some stakeholders on both sides highlighted the importance of retaining the convergence between IFRS 15 and Topic 606, so we will continue to monitor and update the IASB on the progress of the FASB's PIR.

IFRS for SMEs Accounting Standard

31. In September 2022 the IASB published the [Exposure Draft](#) Third Edition of the IFRS for SMEs Accounting Standard. The comment period for the Exposure Draft ended on 7 March 2023.
32. To simplify application of the proposed revenue recognition model in IFRS 15, the IASB structured the requirements in the Exposure Draft based on the five steps of this model and presented them in the order in which SMEs are expected to apply them.
33. In addition, the Exposure Draft expresses the requirements in a simpler, more concise language when possible. For example, instead of using the term 'performance obligation' to identify the unit of account for goods or services promised in a contract with a customer, the Exposure Draft proposes to use the term 'promise'.
34. Other simplifications proposed in the Exposure Draft include:

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- (a) reducing the number of approaches and criteria that an SME is required to consider when accounting for contract modifications.
 - (b) requiring an SME to assess whether a warranty provides a service in addition to the assurance that the product complies with agreed-upon specifications only when the warranty is significant to the contract.
 - (c) requiring an SME to separately account for material rights to purchase additional goods or services arising from a contract only when the effects of doing so are significant to the contract.
 - (d) reframing the constraint on estimates of variable consideration in the positive, rather than double-negative terminology used in IFRS 15 by focusing on consideration that will become due rather than reversed.
 - (e) requiring an SME to determine whether it is acting as a principal or agent based on three criteria in order to make this assessment more prescriptive compared to IFRS 15.
 - (f) requiring adjustments to the promised amount of consideration for the time value of money only if payment from customers is deferred beyond normal business terms.
 - (g) allowing an SME to allocate a discount or variable consideration to promises using an alternative method if the 'stand-alone selling price' basis does not depict the amount of consideration to which the SME expects to be entitled in exchange for transferring the goods or services promised to the customer.
 - (h) requiring an SME to determine whether a licence of IP transfers to a customer at a point in time or over time by applying a single set of simplified criteria to assess the effect of the entity's activities on the benefit that a customer obtains from the IP, which do not use the term 'significant stand-alone functionality'.
 - (i) requiring an SME to recognise the incremental costs of obtaining a contract as an asset if the SME can identify and assess the costs as recoverable without undue cost or effort.

35. During our outreach meetings a few stakeholders suggested that the IASB could consider some of the proposals in the Exposure Draft in clarifying the requirements or guidance in IFRS 15 (for example, the guidance on principal versus agent considerations). In considering these suggestions the IASB will need to keep in mind that the proposals in the Exposure Draft:
- (a) are intended for entities that are different to those applying full IFRS Accounting Standards;
 - (b) have been developed based on IFRS 15, with modifications to reflect the needs of users of SMEs' financial statements and cost-benefit considerations;
 - (c) are intended for entities that are not familiar with the revenue recognition model in IFRS 15 and implementing the model for the first time while IFRS 15 has been effective since 1 January 2018; and
 - (d) may lead to outcomes that are different to the outcomes of applying IFRS 15.

Appendix A—Differences between IFRS 15 and Topic 606⁴

Topic	IFRS 15	Topic 606
Differences between IFRS 15 and Topic 606 when the standards were issued in 2014:		
1. Meaning of ‘probable’ in the collectability criterion for applying the revenue recognition model to a contract.	Under IFRS Accounting Standards, probable is defined as ‘more likely than not’.	Under US GAAP, ‘probable’ is defined in Topic 450 <i>Contingencies</i> as ‘likely to occur’. When developing IFRS 15 and Topic 606, the boards noted that using the same term which has different meanings in US GAAP and IFRS Accounting Standards could result in accounting that is not converged. However, the boards observed that in most transactions, an entity would not enter into a contract with a customer in which there was significant credit risk associated with that

⁴ The list excludes the differences related to the effective date and transition requirements of IFRS 15 and Topic 606.

Topic	IFRS 15	Topic 606
		<p>customer without also having adequate economic protection to ensure that it would collect the consideration. Consequently, the boards decided that there would not be a significant practical effect of the different meaning of the same term because the population of transactions that would fail to meet the criterion in paragraph 9(e) of IFRS 15 would be small.</p>
<p>2. Interim disclosure requirements.</p>	<p>The IASB amended IAS 34 <i>Interim Financial Statements</i> to specifically require the disclosure of disaggregated information of revenue from contracts with customers in interim financial reports.</p>	<p>The FASB similarly amended Topic 270 <i>Interim Reporting</i>. In addition, the FASB added a requirement to disclose information about both contract balances and remaining performance obligations on an interim basis.</p>

Topic	IFRS 15	Topic 606
3. Reversal of previously impaired assets arising from costs to obtain or fulfil a contract.	IFRS 15 requires an entity to reverse impairment losses when the impairment conditions cease to exist, which is consistent with the requirements for the impairment of assets within the scope of IAS 36 <i>Impairment of Assets</i> .	Consistent with other areas of US GAAP, Topic 606 does not allow an entity to reverse previously recognised impairment losses.
4. Non-public entity requirements.	There are no specific requirements included in IFRS 15 for non-public entities.	Topic 606 applies to non-public entities and includes specific reliefs relating to disclosures for such entities.
Differences between IFRS 15 and Topic 606 which arose after the standards were issued in 2014:		
5. Revenue recognition for contracts that do not meet the Step 1 (identifying a contract) criteria.	Paragraph 15 of IFRS 15 specifies that when a contract with a customer does not meet the criteria in paragraph 9 and an entity receives consideration from the customer, the entity shall recognise the consideration received as revenue	The FASB added an event to paragraph 606-10-25-7 of Topic 606 (equivalent to paragraph 15 of IFRS 15), which allows an entity to recognise revenue in the amount of consideration received when (a) the entity

Topic	IFRS 15	Topic 606
	<p>only when either of the following events has occurred: (a) the entity has no remaining obligations to transfer goods or services to the customer and all, or substantially all, of the consideration promised by the customer has been received by the entity and is non-refundable; or (b) the contract has been terminated and the consideration received from the customer is non-refundable.</p>	<p>has transferred control of the goods or services to which the consideration received relates; (b) the entity has stopped transferring goods or services and has no obligation to transfer additional goods or services; and (c) the consideration received from the customer is non-refundable.</p>
<p>6. Promised goods and services that are immaterial.</p>	<p>IFRS 15 does not contain specific references to materiality in the guidance on identifying performance obligations.</p>	<p>The FASB amended Topic 606 to state that an entity is not required to assess whether promised goods or services are performance obligations if they are immaterial within the context of the contract with the customer.</p>

Topic	IFRS 15	Topic 606
7. Shipping and handling activities.	IFRS 15 contains general guidance for assessing whether various promises in a contract represent separate performance obligations.	The FASB amended Topic 606 to permit entities, as an accounting policy election, to account for shipping and handling activities that occur after the customer has obtained control of a good as an activity to fulfil the promise to transfer the good.
8. Accounting for sales taxes (as a reduction of revenue versus as an expense).	IFRS 15 excludes from the determination of the transaction price amounts collected on behalf of third parties, such as some sales taxes.	The FASB amended Topic 606 to provide an accounting policy election that permits an entity to exclude from the measurement of the transaction price all sales (and other similar) taxes.
9. Measurement date for non-cash consideration.	IFRS 15 does not specify the measurement date for non-cash consideration.	The FASB amended Topic 606 to require non-cash consideration to be measured at its fair value <i>at contract inception</i> and to specify that the constraint on variable

Topic	IFRS 15	Topic 606
		<p>consideration applies only to variability in the fair value of the non-cash consideration that arises <i>after contract inception</i> for reasons other than the form of the consideration.</p>
<p>10. Collectability criterion—additional guidance and illustrations.</p>	<p>Paragraph 9(e) of IFRS 15 specifies that an entity should assess only the consideration to which it will be entitled in exchange for the goods or services that will be transferred to a customer. Paragraphs BC42–BC46 of the Basis for Conclusions to IFRS 15 explain that, if the customer were to fail to perform as promised and consequently the entity would respond to the customer’s actions by not transferring any further goods or services to the customer, the entity would not consider the likelihood of</p>	<p>The FASB amended Topic 606 and added implementation guidance and illustrations to clarify that an entity should assess the collectability of the consideration promised in the contract for the goods or services that will be transferred to the customer rather than assessing the collectability of the consideration promised in the contract for all the promised goods or services.</p>

Topic	IFRS 15	Topic 606
	<p>payment for those goods or services that would not be transferred.</p>	
<p>11. When to consider the nature of an entity's promise in granting a licence.</p>	<p>IFRS 15 requires an entity to apply the general revenue recognition model (paragraphs 31–38) to determine whether a performance obligation that contains a licence that is not distinct is satisfied at a point in time or over time. In the Basis for Conclusions on IFRS 15 the IASB noted that it did not intend for an entity to disregard the guidance on determining the nature of its promise in granting a licence when applying the general revenue recognition model.</p>	<p>The FASB made amendments that explicitly state that an entity considers the nature of its promise in granting a licence when applying the general revenue recognition model to a single performance obligation that includes a licence and other goods or services.</p>
<p>12. Determining the nature of an entity's promise in granting a</p>	<p>IFRS 15 sets out the criteria for determining that an entity's promise in granting a licence is a promise to provide a right to access the IP:</p>	<p>The FASB amended Topic 606 to introduce the classification of IP as 'functional' or 'symbolic' based on whether the IP has</p>

Topic	IFRS 15	Topic 606
<p>licence of IP – a right to use or a right to access.</p>	<p>(a) the entity will undertake activities that significantly affect the IP to which the customer has rights;</p> <p>(b) the rights expose the customer to any effects of the entity’s activities; and</p> <p>(c) those activities do not result in a transfer of a good or service to the customer as they occur.</p> <p>An entity’s activities significantly affect the IP when:</p> <p>(a) they are expected to significantly change the form or the functionality of the IP or</p> <p>(b) the ability of the customer to obtain benefit from the IP is substantially derived from, or dependent upon, those activities—which is less likely if the IP has significant stand-alone functionality.</p>	<p>significant stand-alone functionality (for example, the ability to process a transaction, perform a function or task, or be played or aired). A licence of functional IP, which has significant stand-alone functionality, is considered a right to use the IP. A licence of symbolic IP, which does not have a significant stand-alone functionality, is considered a right to access the IP.</p>

Topic	IFRS 15	Topic 606
13. Renewals of licences of IP.	Paragraph B61 of IFRS 15 states that revenue cannot be recognised for a licence that provides a right to use the entity’s IP before the beginning of the period during which the customer is able to use and benefit from the licence but it does not explicitly refer to renewals of licences.	The FASB amended Topic 606 and provided an additional example to specify that the entity would generally not recognise revenue from the transfer of the renewal licence until the beginning of the licence renewal period.
14. Contractual restrictions in a licence and the identification of performance obligations.	IFRS 15 provides general requirements for identifying the performance obligations in a contract. Paragraphs B52–B62 specifically clarify how these requirements are to be applied to licences of IP.	The FASB amended Topic 606 to clarify that the contractual restrictions (for example, a restriction to show content only once per year in a three-year licence) do not replace the requirement for the entity to identify the number of licences promised in the contract (i.e. one licence or three licences).
Differences between revenue recognition in IFRS and US GAAP arising from other standards:		

Topic	IFRS 15	Topic 606
<p>15. Sale of a subsidiary which is, in substance, not a business, but a group of assets ('corporate wrapper').</p>	<p>Sale of a subsidiary is outside the scope of IFRS 15 and is in scope of the 'loss of control' requirements in IFRS 10 <i>Consolidated Financial Statements</i>.</p>	<p>Topic 810 <i>Consolidation</i> requires an entity to consider the substance of the derecognition of a subsidiary and apply Topic 606 or other relevant Topics which address the respective transactions.</p>
<p>16. Measuring contract assets acquired and contract liabilities assumed as part of a business combination.</p>	<p>IFRS 3 <i>Business Combinations</i> requires an entity to measure assets acquired and liabilities assumed in a business combination at fair values on the date of acquisition.</p>	<p>In October 2021 the FASB issued amendments to Topic 805 <i>Business Combinations</i>, which require an entity to apply Topic 606 to measure contract assets acquired and contract liabilities assumed in a business combination rather than measure those assets and liabilities at fair value.</p>