
IASB[®] meeting

Date	May 2023
Project	Post-implementation Review of IFRS 15 <i>Revenue from Contracts with Customers</i>
Topic	Request for Information
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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 of this paper

1. This paper asks the IASB:
 - (a) to approve the publication of a Request for Information (RFI) for the post-implementation review (PIR) of IFRS 15 *Revenue from Contracts with Customers* ([Question 1](#)); and
 - (b) to set a 120-day comment period for the RFI ([Question 2](#)).

Structure of this paper

2. The paper includes:
 - (a) [background](#) (paragraphs 3–6);
 - (b) [publishing the RFI](#) (paragraphs 7–11); and
 - (c) [comment period for the RFI](#) (paragraphs 12–14).

Background

3. The IASB's PIR process is set out in paragraphs 6.48–6.59 of the [IFRS Foundation Due Process Handbook](#) (*Due Process Handbook*).
4. In September 2022, the IASB discussed the [project plan](#) for the PIR of IFRS 15, including its objective. During phase 1 of the PIR the IASB members and staff conducted outreach with a wide range of stakeholders from across the world, including preparers, users of financial statements, auditors and regulators, to ask what matters the IASB should examine within the context of the objectives of the PIR. In addition, the staff reviewed academic literature and other materials relating to IFRS 15.
5. In [March 2023](#), the IASB discussed findings from phase 1 of the PIR and which matters to examine further by including them in the RFI. The IASB tentatively decided to ask stakeholders about:
 - (a) their views on IFRS 15 as a whole, including:
 - (i) whether IFRS 15 meets its overall objective;
 - (ii) the clarity and suitability of the core principle of the Standard and the five-step revenue recognition model for making revenue accounting decisions;
 - (iii) their suggestions for specific narrow-scope improvements for the IASB to consider that could improve the understandability of IFRS 15 without causing substantial cost and disruption to entities already applying the Standard;
 - (iv) their feedback from the implementation of IFRS 15 for the IASB to consider in improving the understandability and accessibility of future Standards; and
 - (v) the ongoing costs and benefits of applying the requirements in IFRS 15;

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- (b) the importance of retaining convergence between IFRS 15 and the US Financial Accounting Standards Board's Topic 606 *Revenue from Contracts with Customers*;
 - (c) any fact patterns in relation to which:
 - (i) guidance on identifying performance obligations in a contract is applied inconsistently, leads to outcomes that do not reflect the underlying economic substance, or leads to significant ongoing costs;
 - (ii) guidance on determining the timing of revenue recognition is unclear or may be applied inconsistently—particularly with respect to the criteria for recognising revenue over time;
 - (iii) guidance on determining whether an entity is a principal or an agent is unclear or may be applied inconsistently; or
 - (iv) guidance on accounting for licensing is unclear or may be applied inconsistently;
 - (d) evidence of diversity in practice in determining the transaction price in a contract, specifically in relation to consideration payable to a customer;
 - (e) disclosure requirements, including the costs of meeting those requirements and the benefits of the resulting information to users of financial statements;
 - (f) transition requirements—specifically:
 - (i) whether the option to use the modified retrospective method and the practical transition reliefs offered by IFRS 15 were used by preparers of financial statements; and
 - (ii) whether they achieved an appropriate balance between reducing the cost and burden for preparers of financial statements and providing useful information to users of financial statements; and
 - (g) the application of IFRS 15 alongside other IFRS Accounting Standards, focusing on IFRS 3 *Business Combinations*, IFRS 9 *Financial Instruments* and IFRS 16 *Leases*.

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6. The areas not covered by specific questions in the RFI will be covered by a general catch-all question.

Publishing the RFI

7. At this meeting, the IASB is asked to approve the publication of the RFI. If approved, we expect to publish the RFI at the end of June 2023.
8. A PIR has two phases:
 - (a) phase 1: initial assessment and public consultation—the IASB identifies matters to be examined and consults publicly on the matters identified; and
 - (b) phase 2: consideration of evidence and presentation of findings—the IASB considers the comments from the public consultation along with the information it has gathered from any additional analysis and other consultative activities.
9. The IASB publishes an RFI at the end of phase 1, setting out the matters for which it is seeking feedback by means of a public consultation.
10. As explained in paragraph 6.52 of the *Due Process Handbook*, before the IASB publishes the RFI, it needs to be satisfied that it has sufficient information to establish the scope of the review. In [March 2023](#) the IASB established the scope of the review by approving the matters to be examined further in the RFI. The papers for the March 2023 meeting included a description of the activities the IASB and staff undertook in phase 1 in accordance with the *Due Process Handbook*, and a summary of the feedback gathered.
11. Since the March 2023 meeting, the IASB members have reviewed the draft of the RFI. As set out in the draft reviewed by the IASB members, the RFI will seek information on the matters described in paragraph 5 of this paper.

Question for the IASB

Question 1

1. Do IASB members approve the publication of the PIR of IFRS 15 RFI?

Comment period for the RFI

12. The IASB normally allows a minimum of 120 days for comment on a PIR RFI.
13. Comparing the topics being examined in this PIR to past PIRs, and also considering other public consultations on the IASB's workplan at this time, the staff do not consider there to be a need for a shortened or an extended comment period.
14. Therefore, the staff recommend the IASB set a 120-day comment period for the RFI.

Question for the IASB

Question 2

2. Do IASB members agree to setting a 120-day comment period for the PIR of IFRS 15 RFI?