
IASB[®] meeting

Date **April 2025**
Project **Recognition of Revenue from Tuition Fees (IFRS 15)**
Topic **Finalisation of agenda decision**
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Purpose of the meeting

1. At its March 2025 meeting, the IFRS Interpretations Committee (Committee) decided not to add a standard-setting project to the work plan in response to a submission about the period over which an educational institution recognises revenue from tuition fees. The Committee instead decided to finalise an agenda decision that explained its reasons for not adding a standard-setting project.
2. The purpose of this meeting is to ask the International Accounting Standards Board (IASB) members whether they object to the agenda decision, as required by paragraph 8.7 of the IFRS Foundation *Due Process Handbook*.

Background

3. The agenda decision (see the [appendix](#) to this paper) describes the fact pattern and the question.
4. Upon receiving the submission, we sent an information request to members of the International Forum of Accounting Standard Setters, securities regulators and large accounting firms. The responses to the information request indicated that, while not common, educational institutions in some jurisdictions prepare financial statements applying IFRS Accounting Standards. However, the responses did not provide

evidence of diversity in how those educational institutions recognise revenue from tuition fees. We also received no evidence of diversity in accounting for similar fact patterns in other industries.¹

5. Based on its findings, in September 2024, the Committee concluded that the matter described in the request does not meet the criteria for adding a standard-setting project to the work plan set out in paragraph 5.16 of the *Due Process Handbook*. In particular, the matter did not meet the criterion in sub-paragraph 5.16(a) that ‘the matter has widespread effect...’. Consequently, the Committee decided to publish a [tentative agenda decision](#) explaining its reasons for not adding a standard-setting project.

Feedback on the tentative agenda decision

6. The Committee received seven comment letters on its tentative agenda decision by the comment letter deadline.² The letters were from three national standard-setters, two accounting firms and two individuals. [Agenda Paper 3](#) for the Committee’s March 2025 meeting summarised the comments and set out our analysis of those comments.
7. Four respondents (standard-setters and accounting firms) agreed with the Committee’s decision not to add a standard-setting project to the work plan for the reasons set out in the tentative agenda decision. Of these respondents:
- (a) one accounting firm said the agenda decision, as drafted, is not useful and suggested updating the agenda decision to explain how an entity applies IFRS 15 when considering the submitted fact pattern; and
 - (b) one accounting firm suggested some wording changes to the agenda decision.
8. One standard-setter agreed that the recognition of revenue from tuition fees depends on facts and circumstances. However, they suggested updating the agenda decision to:

¹ See paragraphs 10–18 of [Agenda Paper 3](#) for the Committee’s September 2024 meeting.

² At the date of posting this agenda paper, there was one late comment letter.

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- (a) explain how an entity applies IFRS 15 when considering the submitted fact pattern; and
 - (b) state prevalent practice.
9. The two individuals did not specify whether they agree with the decision but provided their own technical analysis of the submitted fact pattern.

The Committee's discussion and feedback

10. The Committee considered the feedback at its March 2025 meeting. The Committee confirmed its conclusion that the matter described in the request does not have widespread effect and its decision not to add a standard-setting project to the work plan.
11. The Committee made no significant changes to the wording of the tentative agenda decision. The [appendix](#) to this paper includes the wording of the agenda decision approved by the Committee.
12. All 14 Committee members voted to finalise the agenda decision.

Questions for the IASB

Do you object to the Committee's:

- a. decision not to add a standard-setting project to the work plan?
- b. conclusion that the agenda decision does not add or change requirements in IFRS Accounting Standards?

Appendix—the agenda decision

A1. The agenda decision below was approved by the Committee at its March 2025 meeting.

Recognition of Revenue from Tuition Fees (IFRS 15 *Revenue from Contracts with Customers*)

The Committee received a request about the period over which an educational institution recognises revenue from tuition fees.

Fact pattern

In the fact pattern described in the request:

- (a) students attend the educational institution for approximately 10 months of the year (academic year) and have a summer break of approximately two months;
- (b) during the summer break the educational institution's academic staff takes a four-week holiday and uses the rest of the time:
 - (i) to wrap up the previous academic year (for example, by marking tests and issuing certificates); and
 - (ii) to prepare for the next academic year (for example, administering re-sit exams for students who failed in the previous academic year and developing schedules and teaching materials); and
- (c) during the four-week period in which the academic staff is on holiday:
 - (i) the academic staff continues to be employed by, and receive salary from, the educational institution but provides no teaching services and does not carry out other activities related to providing educational services;
 - (ii) non-academic staff of the educational institution provides some administrative support (for example, responding to email enquiries and requests for past records); and

- (iii) the educational institution continues to receive and pay for services such as IT services and cleaning.

Applying IFRS 15, the educational institution recognises revenue from tuition fees over time. The request asks whether the educational institution is required to recognise that revenue evenly over the academic year (10 months), evenly over the annual reporting period (12 months), or over a different period.

Findings and conclusion

Evidence gathered by the Committee indicated no diversity in accounting for revenue from tuition fees. The evidence suggests any differences in the period over which these educational institutions recognise revenue from tuition fees result from differing facts and circumstances and do not reflect diversity in accounting for revenue from tuition fees.

Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee decided not to add a standard-setting project to the work plan.