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Hans Hoogervorst
Chairman
IASB
30 Cannon Street
London EC4M 6XH
United Kingdom

cc. Chairman, Revenue Transition Resource Group (TRG)

April 10, 2015

Implementation of IFRS 15 *Revenue from Contracts with Customers*

Dear Mr Hoogervorst,

We write regarding the mandatory adoption date for IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), particularly in light of FASB's recent tentative decision to defer the ASC Topic 606 effective date by one year and the IASB's Board meeting later this month to decide on the effective deferral date question.

About Huawei Technologies ("Huawei")

Huawei is an unlisted group, a worldwide leader of ICT solutions. Our telecoms network equipment, smart devices, and IT products and solutions are used in over 170 countries supported by a company workforce of about 170,000 employees. With annual sales revenue of approximately US\$ 46.5 billion in 2014, we enter into tens of thousands of new contracts and contract modifications each year, many of them multi-year contracts, to meet the often complex needs of our customers.

Implementation of the Standard

IFRS 15 is expected to have a major impact on the financial statements of technology providers. For Huawei, in particular, we expect significant impacts on systems, data and processes for:

- Long-term construction contracts in our Carrier Network Business Group (CNBG) or Enterprise Business Group (EBG) with an average duration of three years or more;
- Long term contracts with a high incidence of contract modifications as technology or market conditions change;
- A broad range of hardware, services, software and solution combinations that are sold to customers; and
- Extremely high transaction volumes, particularly in the Consumer Business Group (CBG).

We believe deferring the effective date for IASB preparers will produce several financial statement user and commercial benefits. In particular:

- Elimination of the uncertainties in some of the standard areas being discussed by both Boards which may impact system and process design. Two such examples are:
 - Clarifying the nature of an entity's promise in granting a license of IP, which will determine whether the promise is satisfied over time or at a point in time, and
 - Deciding how the standard should be amended to clarify when a promised good or service is "separately identifiable" from other promises in the contract (i.e., distinct within the context of the contract).
- Data collection for quantitative and qualitative comparative purposes will be more readily available resulting in more useful information for financial statement users.

We further believe that implementing IFRS 15 in 2018, or later, has distinct advantages for preparers and users of financial statements in that it would align with the implementation date of IFRS 9 *Financial Instruments*. For example IFRS 9 directly affects the impairment of receivables and contract assets, a single comprehensive change and transition programme for the two standards provides significant benefits to both users and preparers. This would improve financial statement quality and usefulness to stakeholders, and reduce uncertainty and confusion amongst users.

Following the FASB Board decision, we believe that a lack of equivalent option under the IFRS standard would place IFRS preparers and users at a disadvantage with increased risks and potentially suboptimal or costly infrastructure solutions. We strongly support IASB and FASB convergence more generally, and specifically on the effective date decision point.

Conclusion

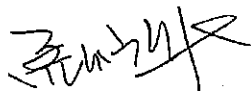
We ask that the Board provides the option of an effective date extension to the adoption timeline which would allow preparers to implement transition programmes so as to:

- Reduce business and financial risks,
- Incorporate any standard amendments currently under discussion,
- Improve financial statement quality and usefulness to stakeholders, and
- Achieve optimised implementation costs and drive wider commercial benefits.

For these reasons we believe this option would benefit users as well as preparers. Companies wishing to early adopt, would of course still have that election ability.

We would be happy to meet with the Board and discuss our detailed Implementation Project findings and provide context for our request at your convenience.

Yours sincerely,



Ms. Wanzhou Meng
Huawei Technologies Co. Ltd.
Chief Financial Officer



Mr. Fan Changchun
Huawei Technologies Co. Ltd.
Vice President, Accounting