

IFRS 15 Post implementation review

Comments from Australian stakeholders

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AOSSG
15th Annual Meeting

 **asian-oceanian
standard-setters group**



Australian Government
Australian Accounting Standards Board



What we did



- ❖ Discussion with AASB Disclosure Initiative Advisory Panel
- ❖ Observed joint CA ANZ and CPA Australia PIR Roundtable for IFRS 15
- ❖ 15 targeted consultations with preparers, professional services firms and professional bodies
- ❖ Discussion with User Advisory Committee

What we heard

- ❖ Robust guidance – hard to work through
- ❖ Technical language
- ❖ Difficult to apply to certain arrangements
- ❖ High initial costs
- ❖ Significant management judgement – increased used of consultants



Challenges identified

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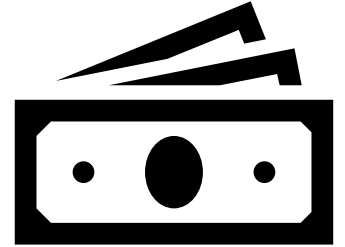


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Determining transaction price

Additional guidance required for:

- Bundled arrangement with no observable price
- Variable consideration and constraining estimate
- Multiple party arrangements
- Significant financing component
- Contracts with no end date



Principle versus agent assessment

- Application of control concept
- Back-to-back arrangements
- Embedded services
- Specific services
- Emerging business models

Interaction with IFRS 16

- Different terms of lease and revenue contract
- Sale and leaseback control test
- Notional interest on prepayment