

Draft Comment Letter

Comments should be submitted by 25 June 2015 to commentletters@efrag.org

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

[Date]

Dear Sir/Madam,

Re: Effective Date of IFRS 15 (Proposed amendments to IFRS 15)

On behalf of the European Financial Reporting Advisory Group (EFRAG), I am writing to comment on the Exposure Draft, *Effective Date of IFRS 15 (Proposed amendments to IFRS 15)*, issued by the IASB on 19 May 2015 (the 'ED').

This letter is intended to contribute to the IASB's due process and does not necessarily indicate the conclusions that would be reached by EFRAG in its capacity as advisor to the European Commission on endorsement of definitive IFRS in the European Union and European Economic Area.

We agree with the proposal and the basis for our view is set out in the Appendix to this letter.

If you would like to discuss our comments further, please do not hesitate to contact Rasmus Sommer or me.

Yours faithfully,

Roger Marshall
Acting president of the EFRAG Board

APPENDIX

Notes to constituents

- 1 The ED proposes deferring the effective date of IFRS 15 Revenue from Contracts with Customers to 1 January 2018. Earlier application is permitted.

Question

The IASB proposes to amend IFRS 15 so that entities would be required to apply IFRS 15 for annual reporting periods beginning on or after 1 January 2018. Earlier application would continue to be permitted. Do you agree? Why or why not?

EFRAG's response

EFRAG agrees with the proposal.

- 2 When EFRAG prepared its endorsement advice on IFRS 15, it considered the effective date. EFRAG noted that a few European companies had raised concerns with EFRAG about the tight timetable. They explained that the pervasive changes they had to make to their information systems would make it difficult to meet the 1 January 2017 effective date. For these entities the 1 January 2017 effective date could thus harm the quality of the financial reporting.
- 3 EFRAG also took into account the fact that the IASB in the short-term may issue minor amendments to IFRS 15 (or other types of clarifications) to help implementation. This development may further reduce the time for implementation for affected companies.
- 4 As a whole, EFRAG considered nevertheless that these elements were not sufficient to recommend that Europe would postpone the mandatory date of application of IFRS 15 and contribute to a lack of comparability with other IFRS jurisdictions and the US.
- 5 The IASB proposal in a context where the FASB is also proposing to postpone the effective date of their standard would both give further time for an implementation of IFRS 15 of quality and maintain comparability between companies applying IFRS or US GAAP.
- 6 EFRAG therefore supports the proposal included in the ED.