

Need to know

IASB tentatively decides to defer the effective date of IFRS 15 by one year



In a nutshell

- The IASB tentatively decides to defer the effective date of IFRS 15 to annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.
- A separate narrow-scope exposure draft proposing to defer the effective date of IFRS 15 is to be issued for comment.

In its meeting on 28 April 2015, the IASB tentatively decided to defer the effective date of IFRS 15 Revenue from Contracts with Customers by one year. Application of IFRS 15 is currently mandatory for annual reporting periods beginning on or after 1 January 2017, with earlier application permitted. If the proposed deferral of the effective date is finalised, IFRS 15 will be effective for annual reporting periods (including interim reporting periods within those periods) beginning on or after 1 January 2018, with earlier application still permitted. IFRS 15 has not yet been adopted by the EU. As EFRAG recommended to the European Commission that the Standard is adopted “with the effective date set by the IASB” it is expected that the EU effective date would also be delayed by one year.

The IASB’s tentative decision to propose a deferral of the effective date of IFRS 15 will be issued for comment in a separate narrow-scope exposure draft with a comment period of no less than 30 days to allow the IASB to finalise its discussions on this topic in July 2015.

Observation

On 1 April 2015, the FASB tentatively decided to defer by one year the effective date of the new revenue standard for public and non-public entities reporting under US GAAP. The FASB also tentatively decided to permit entities to early adopt the new revenue Standard as of the original effective date in the Standard (i.e., annual reporting periods beginning after 15 December 2016).

For more information please see the following websites:

www.ukaccountingplus.com

www.deloitte.co.uk

April 2015

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Designed and produced by The Creative Studio at Deloitte, London. 43912A