



# Memorandum

<b>To:</b>	<b>AASB Members</b>	<b>Date:</b>	1 July 2014
<b>From:</b>	<b>Mitchell Bryce and Nikole Gyles</b>	<b>Agenda Item:</b>	11.1
<b>Subject:</b>	<b>Revenue from Contracts with Customers: Reduced Disclosure Requirements</b>	<b>File:</b>	

## Action

Consider the changes to disclosure requirements in the final IASB Standard IFRS 15 *Revenue from Contracts with Customers* from the IASB ED/2011/6 *Revenue with Contracts with Customers* with a view to finalise the Tier 2 reduced disclosure requirements.

## Attachment

Agenda Paper 11.2 Staff Analysis of changes to disclosures in IFRS 15 *Revenue from Contracts with Customers* **[Board Only]**

## Background

- 1 In November 2011 the IASB issued Exposure Draft ED/2011/6 *Revenue from Contracts with Customers*. Subsequently, the AASB, in December 2011, issued Exposure Draft *Tier 2 Supplement to ED 222 Revenue from Contracts with Customers*. The purpose of the AASB ED was to receive feedback on the proposed reduced disclosure requirements for Tier 2 entities in Australia.
- 2 Following the feedback from three respondents to the AASB ED, AASB staff suggested minimal amendments to the reduced disclosure requirements in the Tier 2 Supplement to ED 222. In April 2012, the Board decided to finalise the proposals in the Tier 2 Supplement to ED 222 without amendment, subject to any substantive changes made by the IASB to the disclosure requirements in IASB ED/2011/6 *Revenue from Contracts with Customers*.
- 3 IFRS 15 *Revenue from Contracts with Customers* was finalised by the IASB on 28 May 2014. There are a number of changes to the disclosure requirements in the final Standard from ED/2011/6. Staff analysis of the significant changes to the disclosure requirements in the final Standard is provided in Agenda Paper 11.2.

## Staff Analysis

- 4 Based on the analysis in Agenda Paper 11.2, staff recommend *excluding* the following in Tier 2 disclosure requirements:
- (a) paragraph 115;
  - (b) paragraph 116(b);
  - (c) paragraph 116(c);
  - (d) paragraph 117;
  - (e) paragraph 118;
  - (f) paragraph 124(b); and
  - (g) paragraph 126(b)

### **Question 1 to Board members:**

Does the Board agree with the staff's recommendations in paragraph 4 above?

## Process

- 5 Staff consider the past due process regarding Tier 2 Disclosure Requirements for Revenue from Contracts with Customers is sufficient in finalising RDR and, therefore, re-exposure is not required.

### **Question 2 to Board members:**

Does the Board agree with the staff's view in paragraph 5 above?

- 6 Staff recommend proceeding to a ballot draft of the proposed Australian-equivalent Principal Standard reflecting the Reduced Disclosure Requirements outlined in paragraph 4 above.

### **Question 3 to Board members:**

Does the Board agree with the staff's recommendation in paragraph 6 above?