



Australian Government
**Australian Accounting
Standards Board**

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29 October 2015

Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

Dear Hans

IASB ED/2015/6 *Clarifications to IFRS 15*

The Australian Accounting Standards Board (AASB) welcomes the opportunity to provide comments on ED/2015/6 *Clarifications to IFRS 15*. In formulating its comments, the AASB sought and considered the views of Australian constituents through comment letters and other consultation. The comment letters received are published on the AASB's website.

The AASB considers that amending standards prior to their effective date is not an ideal approach to setting standards, and should be avoided unless there are exceptional circumstances, notably fatal flaw issues rather than clarifications. However, feedback from Australian constituents has indicated that the proposed amendments to IFRS 15 would help reduce diversity in practice that may arise on its adoption.

The AASB recommends that Illustrative Example, Example 10 Case B – Significant integration service (multiple items) be clarified. As currently drafted, it is not clear how this example is consistent with the principle of distinct goods or services to identify the performance obligations in a contract.

The AASB acknowledges that the proposals in ED/2015/6 are not identical to the proposals published (or expected to be published) by the Financial Accounting Standards Board (FASB). The AASB supports this approach as we consider that the clarifications as proposed by the IASB are satisfactorily constrained and would not inappropriately impact on the exercise of professional judgement when applying IFRS 15 *Revenue from Contracts with Customers*. The AASB strongly recommends that the IASB provides an overview in the finalised pronouncement as to whether the amendments result in the same outcomes as any FASB amendments and, accordingly, whether convergence is maintained.

The AASB considers that to minimise further amendments to IFRS prior to the IASB's post-implementation review of the standard, the Joint Transition Resource Group should be wound up, and thereby end its focus on implementation issues identified before the effective date of IFRS 15. Without this action by the IASB the AASB is concerned that it will be difficult for the IASB to avoid making further amendments to IFRS 15 before the effective date.

If you have any queries regarding any matters in this submission, please contact Mark Shying (mshying@iasb.org).

Yours sincerely,

A handwritten signature in blue ink that reads "K. E. Peach". The signature is written in a cursive style with a long horizontal flourish at the end.

Kris Peach
Chair and CEO