

3 July 2015

International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH
United Kingdom
Email: CommentLetters@ifrs.org

Dear Sir/Madam

SAICA SUBMISSION ON ED/2015/2 – EFFECTIVE DATE OF IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS: PROPOSED AMENDMENTS TO IFRS 15

In response to your request for comments on ED/2015/2 – *Effective Date of IFRS 15 – Revenue from Contracts with Customers*: Proposed Amendments to IFRS 15, attached is the comment letter prepared by the Accounting Practices Committee (APC) of The South African Institute of Chartered Accountants (SAICA). This comment letter results from deliberations of the APC, which comprises members from reporting organisations, regulators, investment analysts, auditors, IFRS specialists and academics.

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours faithfully,

Prof Danie Coetsee
Chairman of the Accounting
Practices Committee

Bongeka Nodada
Project Director – Financial
Reporting Standards

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SPECIFIC COMMENTS

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?

We agree with the proposed amendment to defer the effective date of IFRS 15 by one year. We believe that this proposal will provide entities adequate time to improve the quality of implementing IFRS 15 including the requirements that will arise from the upcoming Exposure Draft on IFRS 15 and to implement the required information technology system changes.

We note that the International Accounting Standards Board's proposal is published at a time where the US Financial Accounting Standards Board is also proposing to defer the effective date of its revenue standard. We are of the view that the alignment of the effective date in IFRS and US Generally Accepted Accounting Principles (US GAAP) will ensure that comparability between companies applying IFRS or US GAAP is maintained (provided that the requirements in the two frameworks remain aligned).

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