
IFRS Foundation Trustees—Due Process Oversight Committee

Date **20 August 2024**

This document reports on a meeting of the Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The Trustees are responsible for governance of the IFRS Foundation and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Introduction

The IFRS Foundation Due Process Oversight Committee (DPOC) [met virtually on 20 August 2024](#). The meeting was webcast live and a recording of the meeting is available on the [IFRS Foundation website](#).

Post-implementation Review (PIR) of IFRS 15 *Revenue from Contracts with Customers*

The DPOC was updated on the due process undertaken during the PIR of IFRS 15 *Revenue from Contracts with Customers*. The IASB has completed its deliberations, and its Project Summary and Feedback Statement has been drafted and shared with the DPOC. In particular, the DPOC was updated on the following matters:

- The feedback from stakeholders was positive and they raised no fundamental questions about the core principles in IFRS 15. Based on stakeholder feedback the IASB concluded that IFRS 15 as a whole is functioning as intended.
- Nevertheless, the IASB decided to consider several matters related to revenue recognition in its next agenda consultation. These matters relate to:
 - assessing control over services and intangible assets to determine whether an entity acts as a principal or an agent;
 - reporting consideration payable to a customer; and
 - applying IFRS 15 with IFRIC 12 *Service Concession Arrangements*.
 - accounting for corporate wrappers and collaborative arrangements. These matters were previously considered in the PIR of IFRS 10, 11 and 12.

The IASB will also gather further evidence related to assessing a transfer of an asset in a sale and leaseback transaction in the PIR of IFRS 16.

- Throughout the PIR of IFRS 15 the IASB made an effort to gather input from various types of stakeholders to obtain a balanced view about the effects of applying the Standard.
- IFRS 15 was developed jointly with the US Financial Accounting Standards Board (FASB); IFRS 15 and the FASB's standard, Topic 606, were and remain substantially converged. As part of its PIR the IASB considered the FASB's findings from its PIR of Topic 606. The IASB also wanted to understand stakeholder views about the importance of ongoing convergence to assist in its considerations of whether to take any actions in response to application matters raised by stakeholders.

In response to Committee members' questions the technical staff noted:

- There were few comment letters from users of financial statements. However, given this was expected, additional meetings had been organised with users, particularly those covering sectors most affected by

IFRS 15—the IASB had aimed to capture views from as many different types of users as possible. The feedback from these meetings had been incorporated in the summary of feedback. A Committee member emphasised that this should be made clear in the Feedback Statement to avoid any perception about lack of engagement with users.

- Throughout the process the IASB gave significant attention to the question of convergence with the FASB’s Topic 606. There were specific reasons for differences between the respective standards. For example, due to the particular legal environment in the US and differences in previous IFRS and FASB revenue standards, the FASB had made changes to Topic 606 after its issuance that the IASB did not make. Overall, however, the outcome from applying the two standards was still substantially converged.
- The highest proportion of comment letters came from standard-setters. Their feedback is a good indication of opinion in their jurisdictions because it reflects the feedback from various stakeholder types in their jurisdictions. In addition the standard-setters sometimes facilitated meetings for the IASB with users or preparers or a mix of stakeholders in their jurisdictions.
- Asia-Oceania engagement was high due to efforts to reach stakeholders in this region given the initially higher level of engagement from Europe. Similarly, the IASB actively sought feedback from Latin America.

The DPOC agreed that the IASB had satisfactorily completed the PIR of IFRS 15 and that the Project Summary and Feedback Statement could be finalised and published.

Closing

The DPOC Chair thanked all for their participation.