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IFRS 15 PIR: EFRAG Preparatory work Cover Note

Introduction

- 1 The IASB post-implementation review (PIR) on IFRS 15 *Revenue from Contracts with Customers* is expected to start in the second half of 2022 and a request for information (RFI) is expected to be published in 2023.
- 2 Starting from Q1 2022, EFRAG has been in the process of undertaking preparatory work in anticipation of the IASB IFRS 15 PIR RFI. The preparatory work also aims to contribute to the inventory of issues that will be identified by the IASB. In this regard, EFRAG Secretariat has involved the IASB project team during the outreach meetings with companies.

Objective

- 3 The objective of the session is to:
 - (1) Present the general messages and the preliminary issues identified during EFRAG Secretariat's preparatory work as detailed in agenda paper 06-02; and
 - (2) Seek EFRAG FR TEG views on the identified preliminary issues.

Approach

- 4 To identify issues for the forthcoming IFRS 15 PIR, the EFRAG Secretariat has reviewed IFRS 15 issues raised before the IFRS Interpretation Committee (IFRS IC), related enforcement issues raised in the April 2021 [ESMA- 2020 Report on Corporate Disclosures](#), and issues raised during the [US GAAP PIR on Accounting Standards Update Revenue from Contracts with Customers \(Topic 606\)](#), which occurred from 2018 to 2021. The review of US GAAP PIR is made because IFRS 15 and Topic 606 are largely converged requirements.
- 5 Furthermore, EFRAG Secretariat is conducting outreach to different constituents (preparers, users, auditors, national standard setters, and academics) to get their overall assessment of how IFRS has worked and to identify issues for the PIR. So far, the EFRAG Secretariat has
 - (1) Had an initial discussion at the April 2022 EFRAG FR TEG-User Panel meeting
 - (2) Held eight meetings with preparers from pharmaceutical, telecommunications and software companies (most of these preparers were also involved in the EFRAG field test held prior to the adoption of IFRS 15).

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- (3) Held three meetings with experts from three different audit firms
- (4) Had a meeting with a sell-side analyst from the pharmaceutical sector
- 6 EFRAG Secretariat will continue with its outreach through:
 - (1) Outreach to preparers in other impacted sectors (construction, aerospace)
 - (2) Outreach to users in other impacted sectors (telecommunication, software)
 - (3) Outreach to audit firms that are yet to be interviewed.
 - (4) A questionnaire to CFSS members on issues they have identified in their jurisdictions
 - (5) Meetings with EFRAG working groups (EFRAG FIWG and EFRAG academic panel)
- 7 Furthermore, EFRAG is supporting a survey of preparers and users conducted by academics ([accessible here](#)). The survey aims to collect information on the effects of IFRS 15 including how its implementation impacts the internal production and use of information by preparers and the benefits for users. It will help to assess the net benefits (costs) of IFRS 15 adoption. The survey findings will be an input to EFRAG's preparatory work.
- 8 EFRAG Secretariat will further update EFRAG FR TEG and EFRAG FR Board (FRB) in Q4 2022 after completing the outreach and research on the issues for the IFRS 15 PIR.

Questions for EFRAG FR TEG

- 9 Do you agree or disagree with the issues identified so far by the EFRAG Secretariat during the outreach (to auditors, preparers and users) and from the review of IFRS IC, ESMA and US GAAP PIR issues? Please explain
- 10 Are there any other issues not raised in agenda paper 06-02 that should be considered during the IFRS 15 PIR?

Agenda Papers

- 11 In addition to this cover note, the agenda paper for this session is:
 - (1) Agenda paper 06-02 – IFRS 15: EFRAG Preparatory work-Preliminary findings