



International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH
United Kingdom

3 July 2015

Dear Board members,

Invitation to comment – Exposure Draft ED/2015/2 – *Effective Date of IFRS 15* (ED)

Ernst & Young Global Limited, the central coordinating entity of the global EY organisation, welcomes the opportunity to offer its views on Exposure Draft ED/2015/2 – *Effective Date of IFRS 15* issued by the International Accounting Standards Board (IASB or Board) in May 2015.

We support the Board's proposal to amend IFRS 15 *Revenue from Contracts with Customers* (IFRS 15 or the standard) such that entities would be required to apply IFRS 15 for annual reporting periods beginning on or after 1 January 2018. A one-year deferral would help entities that need extra time to implement the standard appropriately. Additional implementation time would allow entities to:

- More fully develop their accounting policies
- Procure and implement more complete information technology systems, including updating related controls and processes prior to the beginning of the earliest period presented
- To the extent applicable, better understand and apply any potential amendments to IFRS 15 that the Board may propose in a separate future exposure draft

In addition, a one-year deferral would compensate for the delay in the publication of the final standard after the Board had set the original effective date. The additional implementation time may also allow for a more orderly transition to the new standard and increase the number of entities electing the full retrospective transition alternative. In making its decision, the Board may wish to also consider the progress towards completing other potential amendments to IFRS 15 and their effective date in finalising this ED.

We note that the deferral proposed in the IASB's ED aligns with the proposal by the US Financial Accounting Standards Board (FASB) in its Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date*. We encourage the IASB to consider the impact on multi-nationals that have reporting obligations under both IFRS and US GAAP and we believe that the continued alignment of the effective date of the revenue standards by the IASB and FASB would be beneficial to these constituents and their stakeholders.



Should you wish to discuss the contents of this letter with us, please contact Leo van der Tas on +44 (0)20 7951 3152 or Alison Spivey on +1 202 327 6379.

Yours faithfully

Ernst + Young Global Limited

cc: Financial Accounting Standards Board