Are you prepared for IFRS 15?

25 June 2019

Prabhakar Kalavacherla
KPMG’s global IFRS revenue recognition leader

Brian O’Donovan
KPMG’s global IFRS revenue recognition deputy leader

“Our detailed guidance, insight and analysis will help you transition successfully to the new standard.”

“NeveNitionally, IFRS 15 will have a broad impact – not just changing the amounts and timing of revenue, but requiring an overhaul of the core systems used to produce the numbers.”

Prabhakar Kalavacherla
KPMG’s global IFRS revenue recognition leader

“Our detailed guidance, insight and analysis will help you transition successfully to the new standard.”

“NeveNitionally, IFRS 15 will have a broad impact – not just changing the amounts and timing of revenue, but requiring an overhaul of the core systems used to produce the numbers.”

Prabhakar Kalavacherla
KPMG’s global IFRS revenue recognition leader

“NeveNitionally, IFRS 15 will have a broad impact – not just changing the amounts and timing of revenue, but requiring an overhaul of the core systems used to produce the numbers.”

Prabhakar Kalavacherla
KPMG’s global IFRS revenue recognition leader

IFRS 15: Key facts
- A five-step model is applied to determine when to recognise revenue, and at what amount.
- Revenue is recognised when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled.
- Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the company’s performance, or at a point in time, when control of the goods or services is transferred to the customer.

How to transition
IFRS 15 is effective from 1 January 2018. Decisions should already have been made on which transition approach to adopt – retrospective or cumulative effect. Retrospective application is likely to be challenging, despite the practical expedients available.

Our updated publication, Revenue – Transition options, can help you understand and implement the best option for your business.

Where can you learn more?
Our IFRS – Revenue hot topics page presents our latest thinking on the new revenue standard, along with our commentary on emerging implementation issues.

These are also addressed in our IFRS Today – a source of unique and useful insight on the new standards, which you can follow on LinkedIn.

Read our updated First Impressions and Accounting for revenue is changing for a digestible introduction to IFRS 15 and its possible impacts for your business.

Our IFRS 15 handbook provides our detailed analysis, pooling the insights and experience of our revenue recognition teams globally to guide you through the requirements of the new standard. As your business grows and evolves – whether by developing new products and services, embedding technological innovations or
buying new businesses – we hope this handbook will be your go-to resource as you apply IFRS 15 to new facts and circumstances.

Our series of industry-specific publications looks at what the new standard could mean for a range of different sectors.

You may also find our Guide to annual financial statements – IFRS 15 supplement helpful.