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**IFRS 15: revenue reporting's global
makeover**

At a glance...

In a recent article published on Vietnam Investment Review, PwC Vietnam's Partner of Assurance Services Tran Hong Kien highlighted the major changes introduced in the International Financial Reporting Standard 15 (IFRS 15) Revenue from Contracts with Customers, and its potential impacts to businesses that prepare IFRS financial statements.

What is IFRS 15?

International Financial Reporting Standard 15 (IFRS 15) Revenue from Contracts with Customers, was issued by the International Accounting Standard Board in May 2014, and will take effect on January 1, 2018.

*The article was originally published on **Vietnam Investment Review** (print and online) on 13 Feb 2017.*

***[Click here](#)** to read the full article.*

Why should Vietnamese entities be familiar with this mandate?

Vietnam has not adopted IFRS yet for preparing financial statements in accordance with Vietnamese Accounting Standards (VAS) and regulations. However, various changes in revenue recognition introduced in Circular No.200/2014/TT-BTC for VAS are believed to be taken from IFRS 15.

Getting to know IFRS 15 will provide local entities with a comprehensive understanding of why such specific rules of revenue recognition are determined by Circular 200; as well as familiarising them with additional areas being considered by Vietnamese authorities in future guidance of revenue recognition in Vietnam.

Potential impacts of IFRS 15 to businesses

All types of entities will be impacted by the implementation of IFRS 15 in different ways – be it as simple as the need to reassess all contracts with customers using the five-step model and documenting a conclusion that no change in revenue recognition is needed, or as complex as a need to make a change in both the timing and amount of recognised revenue.

Across the network, PwC has performed assessments of the impact IFRS 15 will have on different customer segments. Among those, one recent study shows that the industry impacted most is the telecom industry, in which there would be significant changes to revenue recognition across the entire organisation and the need to create new retrospective statements for existing contracts made in the past.

Contact us

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