

IFRS 15 - Getting ready for the new revenue recognition model

Revenue from contracts with customers

The IASB's new revenue recognition standard is now with us. It becomes effective for accounting periods starting on or after 1 January 2018. The standard has implications for everyone but the new requirements will require a substantial shift in the way of thinking and financial reporting in some sectors.



Your challenges

Forthcoming mandatory application of IFRS 15 will impact your company in the following fields:

Accounting & Reporting

- Changes to revenue model: allocation of revenue, timing of recognition, etc;
- Changes beyond revenue: time value of money, sales commissions, sales and lease-back, etc;
- Judgement & estimates;
- Additional disclosures;
- Transition consideration.

Systems & Processes

- Impacts across quote-to-cash cycle;
- Crucial needs of IT involvement;
- Likely to accelerate trend of revenue automation (replacing Excel and manual processes);
- Leverage internal initiatives: year roadmaps, process & system optimisation, future – GAAP ready.

Cross – functional impacts

- Audit committee;
- Investor relations;
- Financial planning & analysis;
- Sales & legal;
- HR;
- Tax;
- Accounting & IT functions.

Business changes

- Changing business models;
- Opportunity to structure and go-to-market differently;
- Pricing strategy;
- Impact on compensation;
- Executive communication and awareness.

How we can help



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Your key contacts

Marc Minet IFRS Leader & IFRS for Operational Companies	+352 49 48 48 2120	marc.minet@lu.pwc.com
Kenneth Iek IFRS for Real Estate & Asset Management	+352 49 48 48 2278	kenneth.iek@lu.pwc.com
Fabrice Goffin IFRS for Banking	+352 49 48 48 2155	fabrice.goffin@lu.pwc.com
Malik Lekehal IFRS for Private Equity	+352 49 48 48 5280	malik.lekehal@lu.pwc.com
Marc Voncken IFRS for Insurance	+352 49 48 48 2461	marc.voncken@lu.pwc.com
Ionela Marcela Poenaru Revenue, leasing & share-based payments	+352 49 48 48 2621	ionela.marcela.poenaru@lu.pwc.com