

Project Manager  
International Accounting Standards Board  
30 Cannon Street

London EC4M 6XH  
United Kingdom

Weinheim, 27/05/15

Dear Sir or Madam,

### **ED/2015/2 – EFFECTIVE DATE OF IFRS 15**

We appreciate the opportunity to comment on the boards' exposure draft (ED) on the effective date of IFRS 15 (ED/2015/2). With this comment letter we would like to give you an understanding of our assessments which reflect a preparer's point of view.

The Association for Participation in the Development of Accounting Regulations for Family-owned Entities (VMEBF) was founded in 2006 and consists of German companies with a strong family shareholder background. Beyond its members, the association represents a large part of family-owned large and medium-sized entities in Germany, often legally organised in the form of partnerships. The objective of the VMEBF association is to make the role of German family businesses as stakeholders in the development of international accounting more visible and to act as a constructive partner for the standard setters. We work closely together with the German standard setter GASC and the German Institute of Chartered Auditors (IDW) as well as other political institutions.

First indicative analyses regarding the first-time application of IFRS 15 among preparers of financial statements show that a large number of entities applying IFRS in their consolidated financial statements do not expect major changes in the amount or timing of revenues recognised compared to the legal position de lege lata when initially applying IFRS 15. One of the reasons for this is that in the ten year development of IFRS 15 a lot of compromises were made which mostly allow to hold on to the status quo of revenue recognition.

**Vereinigung zur Mitwirkung an der Entwicklung des Bilanzrechts für Familiengesellschaften e.V.  
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However, from our point of view a lot of companies underestimate the procedural and systematic effects of the adjustments coming along with the modification of the conceptual basis for revenue recognition. This is barely surprising, as a large part of the preparers of financial statements (by mistake) draws its conclusions regarding the procedural and systematic effects of the initial application of IFRS 15 by analogy with the rather remote financial effects of the standard. However, especially the implementation and documentation of the (first-time) application of the new legalistic revenue recognition concept requires:

- inventory and digitalisation of existing contracts in terms of a standardised contract management scheme,
- initial and periodic contract analyses in the context of the requirements of IFRS 15,
- frequent contract monitoring with respect to the impacts of specific contract conditions or subsequent contract modifications,
- implementation of appropriate reporting routines and (IT-) systems,
- the roll-out of those routines and systems across the whole group,
- gathering of the financial data required on the level of the single entities that are consolidated in the consolidated financial statements, and
- consideration of the above-mentioned topics in the context of currency conversion, consolidation or auditing.

These changes will also apply to companies not expecting major changes in the amount or timing of revenues recognised compared to today.

With that said – and in the light of the considerations of ED/2015/2.BC6 (e.g. potential effects of the forthcoming amendments to IFRS 15, deferred issuance of the standard and convergence with Topic 606) – we would highly welcome a one-year deferral of the effective date of IFRS 15 to 1 January 2018.

If you have any further questions please do not hesitate to contact us.

Kind regards,

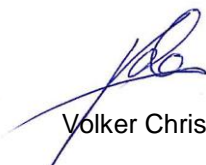
Vereinigung zur Mitwirkung an der Entwicklung des  
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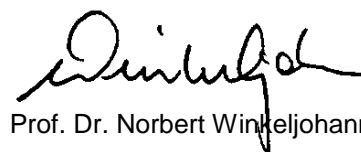
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