

July 2, 2015

Mr. Hans Hoogervorst, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr. Hoogervorst,

Exposure Draft ED/2015/2 Effective Date of IFRS 15

The Financial Accounting Issues Task Force of the Taiwan Financial Reporting Standards Committee (TFRSC) of Accounting Research and Development Foundation in Taiwan appreciates the opportunity to respond to the above exposure draft.

The attachments (Attachment 1) are our comments to this exposure draft. The comments are those of the Financial Accounting Issues Task Force and do not necessarily represent official opinions of the TFRSC.

If you have any question about our comments, please contact me (via my email: ccliu@management.ntu.edu.tw) or Ms. Louise Wu (via her email: louise@ardf.org.tw).

Sincerely Yours,



Chi-Chun Liu, Ph.D.
Chairman,
Taiwan Financial Reporting Standards Committee,
Accounting Research and Development Foundation, Taiwan

Attachment 1

Exposure Draft ED/2015/2 Effective Date of IFRS 15

Effective Date of IFRS 15

Question

The IASB proposes to amend IFRS 15 so that entities would be required to apply IFRS 15 for annual reporting periods beginning on or after 1 January 2018. Earlier application would continue to be permitted. Do you agree? Why or why not?

Response to the above Question:

We agree with the proposal to defer the effective date of IFRS 15 by one year to 1 January 2018 for the factors described in paragraph BC6 of the Exposure Draft *Effective Date of IFRS 15* (the “ED”).

We do not believe that changing the effective date of a Standard shortly after its issuance creates uncertainty for stakeholders and has the potential to set a bad precedent (see paragraph BC4 of the ED). We recognize that the IASB has already conducted appropriate due processes, providing a considerable amount of time for implementing IFRS 15 and giving entities a choice of transition methods. Besides, the role the IASB plays is not only to set accounting standards, but also to facilitate the implementation of IFRSs so there exist the Transition Resource Groups for certain special projects. Because the ability of entities to implement a new standard varies, a one-year deferral would definitely provide entities more time to better understand IFRS 15, and thus facilitate the implementation of IFRS 15 and improve the quality of financial reporting globally.

Additionally, we believe that the IASB needs not to be concerned that deferring the effective date could potentially penalize those who start the implementation process early (see paragraph BC5 of the ED). As early application is permitted, the effective date deferral should have little effect on entities that plan to apply IFRS 15 early before any given effective date. In other words, entities may still apply the Standard as earlier as intended and will not suffer for the deferral.

In brief, we agree with the proposal to defer the effective date of IFRS 15 by one year to 1 January 2018 to further facilitate the implementation of the Standard.