

- **Overall** the core principle and the five-step model provide a clear and suitable basis for revenue accounting decisions.
- No specific comments on the topics of identifying performance obligations (Step 2), determining the transaction price, recognising revenue (Step 5) and transition requirements in considering the overall objective of the PIR to identify fundamental flaws.
- As a point of principle, rather than identification of mixed practice, the standard provides no guidance for accounting for sales based and other similar taxes as IFRS 15, other than a mention in the basis for conclusions (which refers to PvA).
- For **licensing**, the reporters have found the licensing guidance challenging to implement and apply but the accounting is now embedded and for this reason, do not support any significant changes in the licensing guidance. However, there is one specific issue around licence renewals which could be remedied relatively simply as part of the IFRS 15 PIR; some guidance for simple renewals to be recognised at the start of the term would be appropriate. We acknowledge that the matter was discussed but rejected at the time. We would suggest something similar to US GAAP to reduce some diversity in practice but acknowledge that the issue is more complex and goes beyond simple renewals - so this would not fix all diversity.
- For **principal v agent considerations**, this could be improved through additional indicators which are focused on service and intangible industries (consistent with your draft) including 'the company changes the product or performs part of the service' and 'the company has discretion in supplier selection'. For the 'product or performs part of the service', we have been looking at aggregators, such as a travel agencies etc. where they are bringing together lots of services but may/may not be performing any of those services. For the 'supplier selection', we were looking a services industries where there is no inventory risk - discretion in selecting the supplier rather than the end consumer selecting the supplier or approving the supplier could indicate control.