

CPA Canada handbook – accounting, part I

highlight summary no. I.36

August 2016

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Clarifications to IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in April 2016. The amendments clarify:

- the factors that indicate when two or more promises to transfer goods or services are not separately identifiable and, therefore, constitute a single performance obligation;
- that the principal (versus an agent) in an arrangement controls a specified good or service before it is transferred to a customer; and
- the considerations affecting the determination of whether the revenue from granting a licence should be recognized at a point in time or over time.

The amendments also provide additional transitional relief relating to completed contracts and modified contracts.

The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Previously Issued IFRSs

The following amendments, previously in the "IFRSs Issued but Not Yet Effective" section in the 2016 Edition, have been incorporated into the "IFRSs in Effect on January 1, 2017" section:

- IAS 7 *Statement of Cash Flows*
 - *Disclosure Initiative* (Amendments to IAS 7)
- IAS 12 *Income Taxes*
 - *Recognition of Deferred Tax Assets for Unrealised Losses* (Amendments to IAS 12)

To identify the changes made, refer to the effective date guidance in the standards, "IFRSs Issued but Not Yet Effective" in the 2016 Edition, or previous highlight summaries.

Previous Editions

For reference purposes, the previous editions have been retained.

Other editorial changes and corrections introduced in August 2016

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