



10 December 2021

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

**INVITATION TO COMMENT ON IFRS INTERPRETATIONS COMMITTEE
TENTATIVE AGENDA DECISION**

Comments to be received by 3 January 2022

The IFRS Interpretations Committee (IC) works together with the International Accounting Standards Board (IASB) to support the consistent application of IFRS. They do so by, among other things, issuing narrow-scope amendments and IFRIC Interpretations, and publishing agenda decisions to address application questions.

If the IC decides that a standard-setting project should not be added to the work plan, it explains why in a tentative agenda decision, and requests comments within a period normally of 60 days. An agenda decision explains why a standard-setting project has not been added to the work plan and, in many cases, includes explanatory material. Agenda decisions cannot add or change requirements in IFRS Standards.

At its December meeting, the IC discussed an application question in relation to [*Principal versus Agent: Software Reseller IFRS 15*](#). Specifically, the submitter asks whether, in the given fact pattern, a reseller of software licences is a principal or agent applying IFRS 15 *Revenue from Contracts with Customers*. The IC considered that the principles and requirements in IFRS Standards provide an adequate basis for the reseller to determine whether it is a principal or agent, and therefore tentatively decided not to add a standard-setting project to the work plan.

The Financial Reporting Standards Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the above tentative agenda decisions by **3 January 2022** to allow your comments to be considered in developing its response. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.