



Technical Accounting Alert TA 2019-13

Deferral of AASB 15 and AASB 1058 to research grants

Introduction

The Australian Accounting Standards Board (AASB) has decided to defer the application of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* by not-for-profit entities to research grants from periods beginning on or after 1 January 2019 to periods beginning 1 July 2019.

Background

On 10 October 2019, the AASB issued a fatal-flaw review draft of [Amendments to Australian Illustrative Examples for Not-for-Profit Entities accompanying AASB 15](#) which related to research grants in particular.

The draft was open for comment until 8 November 2019 and the AASB received nine submissions as a result of its public consultation process.

The deferral

Having discussed the feedback from constituents at its November 2019 board meeting and acknowledging the need to provide further education to address the continuing divergent views on revenue recognition for research grants, the AASB has decided to defer the application date of both AASB 15 and AASB 1058 to 1 July 2019 for research grants of not-for-profit entities.

This deferral will be beneficial for not-for-profit entities with a December financial year end as such entities are no longer required to apply AASB 15 and AASB 1058 to research grants for financial years ending 31 December 2019. The deferral will have no impact on not-for-profit entities with a June year end as these entities will still need to apply AASB 15 and AASB 1058 for the periods ending 30 June 2020.

For more information, refer to AASB's November 2019 [Action Alert](#).

Further information



If you wish to discuss any of the information included in this Technical Accounting Alert, please get in touch with your local Grant Thornton Australia contact or a member of the National Assurance Quality Team at national.assurance.quality@au.gt.com.