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accounting officers master the new IFRS 15/ASC 606 standards. These new accounting standards apply to all entities — public, private and not-for-profit — that have contracts ...

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**SAP SE** has enhanced its revenue accounting platform to help CFOs and chief accounting officers master the new IFRS 15/ASC 606 standards. These new accounting standards apply to all entities — public, private and not-for-profit — that have contracts with customers and will supersede virtually all current revenue accounting requirements.

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1000 company to make a change of this magnitude, and we just passed that point in the countdown to the mandatory effective date of the new standards. Corporate finance departments should act now to ensure that they are prepared for the transition and have the right tools to automate and simplify the process.”

Passed in 2014 and also known as [ASC 606](#) in the United States, the [new IFRS 15](#) revenue recognition standard eliminates the transaction and industry-specific revenue recognition guidance under current U.S. GAAP and replaces it with a principle-based approach for determining revenue recognition. The change can affect companies’ reported revenue, how and when they report financial performance, and overall financial decision making. The rule generally takes effect in 2018 for public and 2019 for private companies, and requires multiple quarters of testing and preparation.

New features in the SAP Revenue Accounting and Reporting 1.2 release include cost recognition, capitalized costs integration with project systems and results analysis from SAP, improved contract combination and modification capabilities, and integration with service and billing scenarios in the SAP Customer Relationship Management application, plus advanced features for transition to the new IFRS 15/ASC 606 accounting standards.

### Early Adopters “Get a Ledger Up” on Impending Changes

With a mission to focus energy on saving lives, Varian Medical Systems sought an effective revenue accounting solution to help report revenues under both current and future U.S. GAAP.

“While the current U.S. GAAP standard is very specific and things are pretty black and white, the new standard brings with it a gray area and more variability,” said Prasad Kothuri, senior manager, VIT Enterprise Applications at Varian Medical

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change, too. The list just goes on and on, but the January 2018 deadline is fixed. These new rules aren’t simply an accounting or technology issue — they should be a top-level executive and operating committee issue, too.”

Time to implement the new process is running out. To find out how much time you have, [visit the IFRS 15 DoomsDay clock here](#).

Accounting • Technology

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