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Mr. Hans Hoogervorst, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

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Delivered via email to commentletters@ifrs.org

Re: IFRS 15 and ASU No. 2014-09: Revenue from Contracts with Customers – Effective Date

Dear Mr. Hoogervorst,

Dell would like the opportunity to comment on the effective date of the IASB and FASB's converged standard IFRS 15 and ASU No. 2014-09: Revenue from Contracts with Customers. We commend the Boards for working together to improve consistency, simplification, and the enhancement of comparability in financial reporting across international borders and multiple industries. We continue to strongly support the convergence of IFRS and U.S. GAAP and believe convergence between the Boards on the effective date of the new standard is a key step to ensuring a successful transition.

We are a large multinational company that delivers innovative technology and services to customers. As a leading technology company, we offer a wide range of product categories, including desktop PCs, mobility products, software and peripherals, servers and networking, and storage. Our services offerings include a broad range of IT and business related services, including infrastructure technology, cloud, applications, and business process services. Dell has over 250 foreign subsidiaries in almost 80 different countries, many of which are subject to local reporting requirements.

Dell is actively engaged in the adoption of the new revenue recognition standard, both internally and with our industry and other multinational peers. Dell is abreast of the issues that companies across various industries are facing. Divergence between the Boards on the effective date would create a number of additional complexities, unnecessary costs and workload during implementation, particularly for multinational companies, as detailed below.

First, unresolved issues under discussion with the Transition Resource Group and the Boards suggest that companies are still interpreting the standard and that adoption may be inconsistent, possibly leading to a lack of comparability in reporting. While the principle based standard is generally feasible as written there are still questions and concerns under discussion. Similar concerns on comparability were also voiced by James Schnurr, Chief Accountant, Office of the Chief Accountant at the SEC, in his speech on December 8, 2014. The Chief Accountant was clear in his statement that well defined principles, applied to similar facts and circumstances should produce consistent results and that significant diversity in practice should

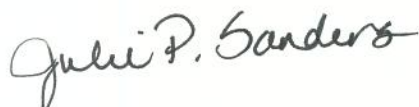
be eliminated. In order for companies to make informed decisions and produce consistent reporting for financial statement users, time is needed for these outstanding issues to be resolved.

Second, companies must navigate multiple adoption dates as foreign subsidiaries could be required to implement under IFRS 15 prior to the U.S. based parent company under ASU No. 2014-09 if the US standard is delayed. We believe the following two scenarios would be the product of a deferred effective date:

- a) A scenario where the effective date of ASC No. 2014-09 is delayed past the effective date of IFRS 15 will result in dual reporting and unnecessary workload in reporting adjustments at the statutory level. Foreign subsidiaries would be required to adopt under IFRS 15 for their statutory filings prior to the required adoption date for U.S. parent consolidated reporting. Incremental risk could be introduced as there is the potential to put pressure on US GAAP preparers to make accounting policy elections for statutory reporting purposes in foreign jurisdictions prior to wholesale adoption of the converged standard. In addition, adjustments between statutory filings and U.S. GAAP consolidated filings would be required until the standard is implemented at the parent level.
- b) A scenario where FASB delays the effective date with early adoption permitted and IASB does not change the effective date will eliminate much of the benefit of the FASB's proposed effective date delay due to the likely forced early adoption of the U.S. GAAP guidance to avoid the issues described above.

Finally, in addition to allowing for the resolution of open items, companies will benefit from a delay of the effective date for one year as it will provide the necessary time needed to assess the impact of the change, implement system and process changes, design and update internal controls, and properly train impacted employees. Another benefit to a one year delay is for companies that plan to retroactively adopt. A converged delay will offer necessary time to gather data for reporting due to U.S. GAAP's requirement to present three comparative accounting periods. For that reason, retroactive implementation would require companies to collect data now, even while the standard is under interpretation and the guidance within the standard is being amended. A converged delay would be more efficient to allow time to implement and navigate through the complexities and costs associated with the adoption of the new standard.

In summary, we encourage the IASB to consider the delay of the effective date during the Board's deliberations this month considering the ongoing implementation discussions and the reporting requirements for multinational companies. We appreciate the opportunity to comment on this matter and welcome any further discussion you would like to have. Please contact me at +1 (512) 728-5130 if you have any questions.



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