



**30 Cannon Street, London EC4M 6XH, United Kingdom**  
**Tel: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411**  
**E-mail: [iasb@iasb.org](mailto:iasb@iasb.org) Website: [www.iasb.org](http://www.iasb.org)**

**International  
Accounting Standards  
Board**

*This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.*

*These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.*

### **INFORMATION FOR OBSERVERS**

**Board Meeting: 12 December 2007, London**

**Project: Revenue Recognition**

**Subject: Cover note (Agenda paper 7A)**

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### **OBJECTIVE OF MEETING**

1. The papers posted for the November Board included four memos (agenda papers 4C-4F that explained the measurement model (ie current exit price model) for revenue recognition. At that meeting, the Board had time to discuss only the first two of these memos. Therefore, the objective of the December meeting is to complete the initial discussion of the measurement model by considering the last two memos.
2. **Hence November agenda papers 4E and 4F are reposted for this meeting as agenda papers 7B and 7C.**<sup>1</sup> Agenda paper 7B discusses the presentation issues in profit or loss raised by measuring the contract asset or contract liability at current exit price. Agenda paper 7C considers whether a revenue model focused solely on the contract asset or liability would be too narrow.
3. Please note that these two memos have not been substantively amended since November. Any amendments have been indicated using marked-up text,

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<sup>1</sup> This set of papers is for the IASB only. The FASB completed its discussion of all of the November memos at its open education session on 20 November.

except for changes to cross-referencing necessitated by the reposting that have been made silently. For reference and completeness, the first two memos explaining the measurement model that were discussed last month have been included as Appendices A and B. In addition, November's examples memo (originally posted as agenda paper 4G) is included again for reference material as agenda paper 7D.

4. As highlighted in November, the issues for the Board to consider are:
  - Has the measurement model dealt with all significant issues, ie is it complete?
  - Is the model internally inconsistent in any respect?
  - Is the model sufficiently and clearly explained?
  - Do the examples apply the model correctly?
  - What particular aspects of the model would represent an improvement over current practice?
  - Would the model, on balance, represent an improvement over current practice?
5. Based on the Boards' feedback, the staff will then make changes to these memos so that they can become draft chapters of the due process document.