



Project **Revenue recognition**

Topic **Cover note**

Overview of this month's papers

1. There are three papers for this meeting:
 - (a) **Agenda Paper 5A Control**. The purpose of this paper is to clarify control in the proposed model and to seek the Boards' tentative decisions on a definition of control.
 - (b) **Agenda Paper 5B Examples on control**. This paper accompanies Agenda Paper 5A and illustrates how an entity would determine when it has transferred control.
 - (c) **Agenda Paper 5C Accounting for options for additional goods and services in contracts with customer**. The purpose of this paper is to determine when and how an entity should account for an option as part of a contract with a customer.
2. The first two papers are critical to the development of the proposed model because they deal with the key question of when revenue should be recognised.

Next steps

3. The main topics for discussion at the October meeting are:
 - (a) Identification of performance obligations
 - (b) Allocation of the transaction price to performance obligations and effect on margin segmentation

This paper has been prepared by the technical staff of the IASCF for discussion at a public meeting of the IASB. The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRIC or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in IASB *Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

IASB Staff paper

- (c) Determining transfer of control in contracts for a right-of-use asset.