



Project **Revenue Recognition**

Topic **Cover note**

Introduction

1. At the joint board meeting, the Boards will consider the following papers:
 - (a) **Agenda Paper 16A/Memo 131A *Repurchase agreements*** – This paper seeks the Boards’ views on how a seller of an asset should determine whether a buyer obtains control of the asset in a contract with a repurchase agreement.
 - (b) **Agenda Paper 16B/Memo 131B *Sales of assets that are not an output of an entity’s ordinary activities*** – This paper seeks the Boards’ views on whether an entity should apply the recognition and measurement requirements of the proposed revenue model to contracts for the sale of some nonfinancial assets (i.e. intangibles and property, plant, and equipment) that are not an output of the entity’s ordinary activities.
2. The FASB raised these issues at the May 5, 2010 FASB meeting when considering the potential effects of the proposed revenue model on real estate transactions. The FASB asked the staff to bring these issues to the joint board meeting.
3. The staff is planning to distribute a preballot draft of the forthcoming Exposure Draft to the Boards as soon as possible after the joint board meeting in May.

This paper has been prepared by the technical staff of the FASB and the IASCF for discussion at a public meeting of the FASB or the IASB.

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