
Project **Revenue Recognition**

Topic **Cover note**

Introduction

1. At the joint board meeting in January, the Boards will consider the following papers:
 - (a) **Agenda Paper 6A/Memo 135A *Determining the transfer of goods and services*** – This paper considers how an entity should determine when goods or services are transferred to a customer and, hence, when an entity would recognize revenue.
 - (b) **Agenda Paper 6B/Memo 135B *Separating a contract*** – This paper considers whether it is necessary for the revenue standard to require entities to segment a contract with a customer in addition to identifying separate performance obligations in the contract.
 - (c) **Agenda Paper 6C/Memo 135C *Identifying separate performance obligations*** – This paper considers how an entity should identify separate performance obligations in a contract with a customer.

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IASB/FASB Staff paper

- (d) **Agenda Paper 6D/Memo 135D *Perfunctory obligations, incidental obligations and marketing incentives*** – This paper considers whether the revenue standard should provide any specific guidance on perfunctory or incidental obligations, and marketing incentives.

Next steps

- 2. At the February 2011 meeting, the Boards will discuss the following topics:
 - (a) How an entity should account for the costs to obtain a contract with a customer,
 - (b) When an entity should account for two or more contracts as one,
 - (c) How an entity should account for modifications to the scope or price of a contract.