



Revenue from Contracts with Customers

Global Preparers Forum, Agenda paper 7
March 2012

The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.

Agenda

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- Project objective and status
- Outreach update
- Main areas of feedback to date
- Next steps

Objective: To develop a single, principle-based revenue standard for US GAAP and IFRSs

- The revenue standard aims to improve accounting for contracts with customers by:
 - Providing a more robust framework for addressing revenue issues as they arise
 - Increasing comparability across industries and capital markets
 - Requiring better disclosure

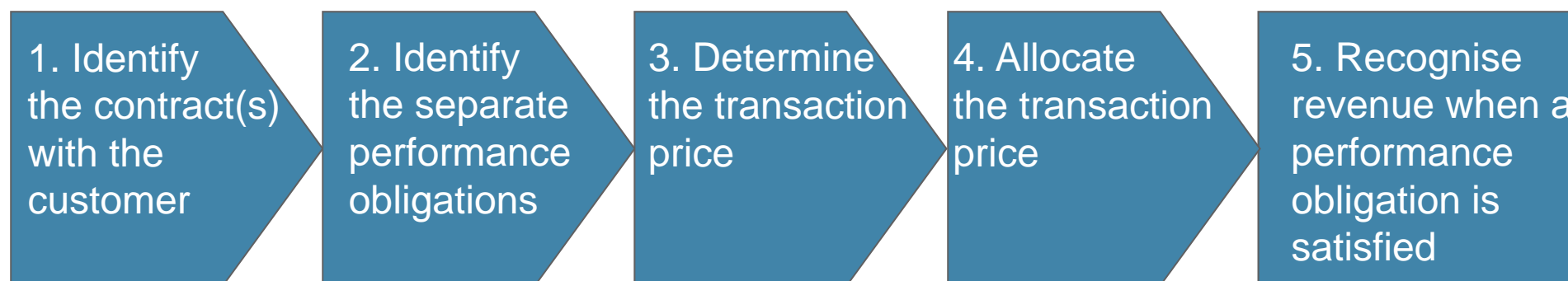
Overview of revised proposals

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Core principle:

Recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity *expects to be entitled* in exchange for those goods or services

Steps to apply the core principle:



Project timeline

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13 March	Comment letter deadline
4 April	Tokyo round table
20 April	London round table
26 April	Norwalk round table
8 May	Salt Lake City round table for US non-public entities (FASB only)
May	Comment letter and outreach summary
June	Start of redeliberations
Q4 2012 / Q1 2013	Final revenue standard

Type of meeting:

- In-depth discussions of the application of the proposals (**most common**)
- Presentations, conferences
- Round tables, discussion forums (March, April and May)
- Webcasts (hosted by FASB/IASB or other organisations)

Who are we meeting with:

- Preparers (including US non-public entities - FASB only)
- Users
- Audit firms
- Regulators
- Industry groups
- National standard-setters

Outreach update (cont'd)

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Industries being consulted:

- Automotive
- Construction (including construction of residential real estate)
- Energy and utilities
- Financial services
- Franchisors
- Health care
- Life sciences
- Manufacturing
- Media and entertainment
- Real estate
- Software and technology
- Telecommunications

Conducting outreach on a joint basis (where possible) in the following geographies:

- North America (USA, Canada, Mexico)
- Europe (various countries, often with participants from countries other than where the meeting is held)
- Africa (South Africa)
- South America (Brazil)
- Asia (Malaysia, Singapore, Hong Kong, Japan, Bangladesh, China, Australia)

- Application of criteria for determining performance obligations satisfied over time (para 35, Question 1)
- Application of time value of money principles
- Presentation of customer credit risk (Question 2)
- Application of the 'reasonably assured' constraint (Question 3)
- Scope of the onerous test (Question 4)
- Disclosure requirements (Question 5 and broader comments)
- Transition requirements

Comment letter deadline - **13 March 2012**

Round tables and discussion forums (March, April, May)

Additional information about the revised proposals and the revenue recognition project is available at www.ifrs.org and www.fasb.org.

Questions or comments?

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Expressions of individual views by members of the IASB and its staff are encouraged.

The views expressed in this presentation are those of the presenter. Official positions of the IASB on accounting matters are determined only after extensive due process and deliberation.

