STAFF PAPER

21-25 May 2012

FASB | IASB Meeting

Project	**Revenue recognition**		
Paper topic	Project plan for redeliberations		
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Introduction

1. This paper proposes a plan for completing the Boards' redeliberations on the revenue project and, hence, for finalising a common revenue standard for entities that apply either IFRSs or US GAAP.

2. The staff is seeking the Boards' views on this plan, which (among other things):

   (a) identifies the topics that the staff recommends should be redeliberated. Those topics were identified after an initial analysis of the feedback received in response to the revised exposure draft *Revenue from Contracts with Customers* (the ED), which was published in November 2011.

   (b) lists some of the other project activities and considerations that are relevant to the redeliberations and publication phases of the project.

   (c) indicates that redeliberations should be substantially complete by the end of 2012 and the common revenue standard should be issued in early 2013.

3. The staff intends to update the plan as the redeliberations progress and if, and when, additional issues are identified that might require the Boards' consideration. For instance, the plan may be updated after completing additional outreach with

users of financial statements, securities regulators and non-public entities (as discussed further in paragraphs 43 – 47).

4. This plan should be considered in conjunction with agenda papers 7A / 160A and 7B / 160B, which summarize the feedback received and the outreach performed. The main areas of feedback in the summary align with the topics identified for redeliberations.

Structure of this paper

5. This paper is structured as follows:

    (a) Factors influencing the composition of the project plan (paragraphs 6-9)

    (b) Topics for redeliberation (paragraphs 10-39)

        (i) Core recognition and measurement issues (paragraphs 13-29)

        (ii) Other core issues in the revenue proposals (paragraphs 30-37)

        (iii) Other issues that require redeliberations (paragraphs 38-39)

    (c) Other project planning considerations during the redeliberation phase (paragraphs 40-47)

    (d) Project planning during the publication phase (paragraphs 48-50)

    (e) Project planning considerations post-publication (paragraph 51)

    (f) Proposed timeline (paragraph 52)

Factors influencing the composition of the project plan

6. As stated above, the plan is the output of considering feedback from the comment letters received and outreach performed. The composition of the project plan also has been influenced by the following factors:

    (a) the objective of the re-exposure process;

(b) feedback indicating that there is general support for the core framework of the revenue model (as noted in agenda paper 7A / 160A); and

(c) the Boards' separate policies and due process procedures.

Re-exposure objective

7. The objective of the re-exposure process helps to set the scope of the redeliberations plan. For instance, when the Boards decided in June 2011 that the revenue proposals should be re-exposed, the Boards indicated that the re-exposure process should not lead to each proposal being 're-opened'. As such, the Boards identified only six specific topics for comment[1]. The project plan proposes to redeliberate each of those topics. Furthermore, because the purpose of the re-exposure was also to ensure that the proposals were clear and complete, could be applied in practice at a reasonable cost and do not produce unintended consequences, the proposed project plan also includes, as topics for redeliberation, other proposals that were not included in the six specific topics for comment.

Support for the core framework

8. The fact that there is general support for the core framework of the revenue model helps to focus the project plan because those aspects of the revenue model that are generally supported or accepted do not need to be analyzed further. As a result, the plan focuses on considering those proposals upon which constituents either requested clarification or additional guidance, or raised specific concerns (eg the extent of proposed disclosures and application of the proposals to telecommunications entities that sell mobile phone and network services in a bundled arrangement). Because some of those detailed issues relate to a more general topic, the project plan intends (where possible) to consider detailed issues as part of a related general topic.

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[1] The 2011 exposure draft invited specific comment on the following topics: (1) performance obligations satisfied over time, (2) customer credit risk / collectibility, (3) the reasonably assured constraint, (4) the onerous test, (5) interim disclosures, and (6) consequential amendments for accounting for the transfer of non-financial assets.

The Boards' policies and due process procedures

9. Additional factors that influence the project plan—and any future updates to that plan—are the Boards' separate policies and due process procedures. As this is a joint project, each Board must jointly agree on the requirements of the revenue standard in order to achieve the project objective of issuing a single, principle-based revenue recognition standard for IFRSs and US GAAP. Consequently, the project plan must:

   (a) align with both Boards' respective policies and due process procedures for the redeliberations and publication phases of the project; and

   (b) include all topics that either Board concludes should be specifically redeliberated before a decision is made to approve the revenue standard. On this point, the staff acknowledges that, although members of both Boards will be voting to approve a common revenue standard, their decisions will be based on different facts and circumstances. This is because the decision for IASB members is whether the benefits of a new revenue standard would improve financial reporting relative to the existing revenue recognition requirements in IFRSs, whereas the decision for FASB members is whether those same benefits of the new revenue standard would improve financial reporting relative to the existing revenue recognition requirements in US GAAP.

Topics for redeliberations

10. The project plan groups the topics for redeliberation into the following categories:

    (a) core issues that could affect the framework for the recognition and measurement of revenue;

    (b) other core proposals in the exposure draft; and

    (c) discrete issues that affect only some types of transactions or industries.

11. This grouping of redeliberation topics broadly aligns with the main issues identified in the feedback summary (see agenda paper 7A/160A). Furthermore,

the redeliberation topics include, but are not limited to, the six specific questions for comment in the 2011 exposure draft.

12. The redeliberations plan is organised by topic rather than by industry. This is consistent with the project's objective of developing a single revenue model that can be applied by all industries that are within the scope of the proposals. Although most of the outreach on the proposals involved individual industry sessions or meetings whereby the topic/question was addressed in a specific industry fact pattern or example, the staff expects to redeliberate those issues by topic rather than by industry. One of the reasons for this approach is that many of the questions or concerns raised by one industry are also common to other industries. However, in analysing these issues, the staff may use specific industry examples to illustrate the nature and extent of the concern and/or to illustrate how various alternatives might address that concern.

Core recognition and measurement issues

13. The plan identifies the following core revenue recognition and measurement principles as topics for redeliberation:

    (a) performance obligations satisfied over time (which will include feedback on Question 1 of the exposure draft);

    (b) identification of separate performance obligations (that is, distinct goods or services);

    (c) constraining the cumulative amount of revenue recognized (which will include feedback on Questions 3 and 6 of the exposure draft);

    (d) customer credit risk (which will include feedback on Question 2 of the exposure draft); and

    (e) the time value of money.

14. If, during the redeliberations, the Boards tentatively decide to revise any of the proposed requirements relating to these core principles, consequential changes may be required to the corresponding implementation guidance that is part of the

revenue proposals. Furthermore, as they redeliberate these topics, the Boards may identify other issues that should be addressed in implementation guidance.

15. One topic in the implementation guidance that has already been identified as a topic for redeliberation is licences. Many respondents have raised concerns with the proposals on licences and the staff notes that the Boards' decisions on some of the above core principles may also influence the nature and scope of any revisions to that guidance. This is discussed further below in paragraph 39.

Performance obligations over time

16. Paragraph 35 of the revised proposals is central to the operation of the revenue model because the criteria in that paragraph determine whether an entity recognizes revenue over time or at a point in time. Those criteria were developed as a means of assessing whether a customer obtains control of a service as it is being provided. Most respondents welcomed the additional guidance and agreed with the rationale underpinning the criteria in paragraph 35. However, many of those respondents requested the Boards to clarify aspects of the criteria to ensure that the requirements would be applied consistently.

17. The issues to be considered in redeliberating this topic include:

    (a) clarifying the conceptual basis for the criteria in paragraph 35 and explaining why those criteria are consistent with the definition of control;

    (b) clarifying how the criteria in paragraph 35 apply to pure service contracts (ie service contracts that do not create an asset that is simultaneously consumed by the customer);

    (c) clarifying the 'alternative use' criterion in paragraph 35(b), particularly in relation to the effect that a contractual restriction has on the ability of an entity to readily directing the asset to another customer;

    (d) clarifying the 'right to payment for performance to date' criterion and the relevance of a right to payment as a necessary, but not sufficient, condition for recognising revenue over time for some, but not all, types of service contracts; and

(e) further consideration about measuring progress, including:

(i) the accounting for uninstalled materials and for wasted materials; and

(ii) the use of the units of delivery method.

18. In analysing the criteria for performance obligations satisfied over time, the staff will consider the application of the criteria to various types of contracts, including multi-level residential real estate transactions.

Identification of separate performance obligations

19. Paragraphs 28 and 29 of the revised proposals are also central to the operation of the revenue model because distinct goods or services and, hence, the separate performance obligations in a contract with a customer are the units of account for the recognition of revenue and the allocation of the transaction price. The notions of a distinct good or service and a separate performance obligation were introduced in the 2010 exposure draft and the criteria in paragraphs 28 and 29 of the revised proposals represent a refinement of those ideas. Despite not specifically asking a question in the exposure draft about this topic, many respondents (especially those from industries other than the construction industry) have requested the Boards to clarify the criteria for identifying the separate performance obligations in a contract.

20. The issues to be considered in redeliberating this topic include:

(a) clarifying the interaction between paragraph 28 and 29 and, in particular, clarifying the factors identified in paragraph 29 that would result in a good or service not being distinct because of how the contract bundles that good or service with other promised goods or services in the contract;

(b) clarifying the nature of performance obligations arising from a promise to stand ready to provide goods or services to a customer (eg post contract support services and when-and-if available software products);

(c) clarifying the application of the practical expedient in paragraph 30 for accounting for two or more distinct goods or services as a single performance obligation (eg for repetitive service contracts, utility contracts and other contracts for the supply of commodities and similar goods); and

(d) considering the consequences of the paragraph 30 practical expedient on other aspects of the proposals (including contract modifications, the onerous test and the disclosure of remaining performance obligations).

Constraining the cumulative amount of revenue recognized

21. Both the 2010 exposure draft and the 2011 exposure draft proposed that variable consideration should be included in the amount of revenue recognized only if the estimate of that variable consideration is based on experience that is predictive of the amount of consideration that the entity is entitled to receive. Most respondents support constraining estimates of variable consideration, but feedback on both the 2010 and 2011 proposals identified anomalies that can arise in the pattern of revenue recognition when the constraint applies to the determination of the transaction price (as proposed in 2010) or when the constraint limits the cumulative amount of revenue that can be recognized until the uncertainty associated with the variable consideration is resolved (as proposed in 2011).

22. Consequently, the primary focus on redeliberating this topic is to reconsider how the revenue standard should seek to constrain estimates of variable consideration. For instance, should the constraint apply to the measurement of revenue, to the allocation of the transaction price to satisfied performance obligations and/or to the recognition of revenue (eg for contracts with distributors whereby goods are often returned to the entity or the end pricing of the goods in the distribution channel is volatile due to demand or competition in the retail market)?

23. Other issues that will be considered in redeliberating this topic include:

(a) considering the scope and necessity for the specific constraint in paragraph 85 on recognising revenue from sales-based royalties arising from the use of intellectual property;

(b) considering the appropriateness of the description of the 'reasonably assured' proposals and considering whether that qualitative constraint should also include a quantitative assessment;

(c) considering the application of the constraint to transactions or industries that currently adopt different approaches to the accounting for variable consideration (eg transactions involving seller-based financing, asset management contracts and contracts between an entity and the distributor of the entity's products); and

(d) considering further how the constraint should apply to the sales of non-financial assets to ensure that the resultant gain or loss recognized on sale of those assets provides useful information to users of the financial statements and applies in a cohesive and consistent manner with other requirements in IFRSs and US GAAP.

24. Additionally, the staff thinks the constraint should be redeliberated in conjunction with the proposals regarding customer credit risk.

Customer credit risk

25. In contrast to many existing revenue recognition requirements, the 2010 and 2011 exposure drafts did not propose that an entity should recognize revenue only when the likelihood of receiving future economic benefits from the customer meet or exceed a specified threshold (eg probable or reasonably assured). In other words, customer credit risk would not be a recognition threshold for revenue recognition. Instead, the 2010 exposure draft proposed addressing customer credit risk in the measurement of the transaction price and, hence, the amount of revenue that is recognized.

26. That proposal received little support from respondents, and so the 2011 exposure draft proposed that (among other things):

(a) revenue should be recognized at the amount that the entity is entitled to receive from the customer (ie not adjusted for the effects of customer credit risk) and that the effects of customer credit risk should be recognized and measured as an impairment loss that is presented adjacent to the revenue item; and

(b) a contract with deferred payment terms that is identified as including a significant financing component would be bifurcated into a financing arrangement (which would be within the scope of the financial instruments standards) and a notional cash sale of the good or service purchased by the customer with the proceeds of that financing arrangement (which would be within the scope of the revenue standard). Consequently, the impairment loss arising from those transactions would be presented together with other impairment losses arising from loan receivables (rather than adjacent to the revenue line item).

As noted in the feedback summary, respondents views on those proposals are mixed.

27. The issues to be considered in redeliberating this topic include:

(a) considering the presentation of the impairment loss, including:

(i) whether the impairment loss should be required to be presented in the income statement or could be disclosed in the notes (if not material); and

(ii) the presentation of the impairment loss if there is a separate revenue line for revenue from sources other than from contracts with customers;

(b) considering the accounting for subsequent impairments being displayed next to a revenue line item;

(c) clarifying the linkage between the revenue standard and the Boards' financial instruments project on impairment for the purposes of accounting for trade receivables and contract assets; and

(d) considering whether, as an alternative to the 2010 and 2011 proposals, revenue should be recognized only if a minimum threshold for customer credit risk has been met or exceeded.

Time value of money

28. When determining the transaction price, paragraph 58 proposes that the promised amount of consideration in a contract with a customer should be adjusted to reflect the effects of the time value of money if the contract has a significant financing component. While many agree with the conceptual basis of the proposals, many respondents have also asked the Boards to

(a) Clarify the circumstances in which an entity should account for the effects of time value of money; and

(b) Consider further the practical application of the proposals and the circumstances in which accounting for the time value of money should provide useful information.

29. The issues to be considered in redeliberating this topic include:

(a) Clarifying the assessment of whether a contract includes a ‘significant’ financing component, particularly in those circumstances where a timing difference between performance by the entity and payment by the customer arises for reasons other than financing;

(b) Considering further the usefulness of accounting separately for a financing component in a contract, particularly for advance payments and for contracts in which the costs to fulfil the contract are not adjusted to reflect the effects of time value of money;

(c) Considering the difficulties associated with accounting for the effects of the time value of money, particularly for long-term contracts with separate performance obligations or with variable consideration; and

(d) Considering the relevance of the one year practical expedient, especially in high-inflationary economies.

Other core issues in the revenue proposals

30. Other core issues that have been identified as topics for redeliberation are:

    (a) onerous performance obligations (which will include feedback on Question 4 of the exposure draft);

    (b) interim and annual disclosures (which will include feedback on Question 5 of the exposure draft); and

    (c) transition requirements.

31. The staff recommends that the Boards redeliberate these topics because many constituents (primarily preparers and accounting firms) strongly disagreed with those proposals and/or identified significant concerns about complying with those proposals.

Onerous performance obligations

32. Almost all respondents to the 2010 and 2011 exposure drafts disagree with the Boards' proposals to recognize a separate liability when a performance obligation is assessed to be onerous. The initial issue to be considered in redeliberating this topic is to confirm whether the revenue standard should include an onerous test. This would involve also considering the adequacy of existing onerous tests elsewhere in IFRSs and US GAAP.

33. If the Boards decide to retain an onerous test in the revenue standard, other issues to be redeliberated would include:

    (a) considering the unit of account of the test—should the test apply to performance obligations, the contract or at some higher level (eg the customer relationship)?

    (b) considering the scope of the test, including whether the test should apply only to performance obligations satisfied over time and appropriateness of not requiring an entity to apply the onerous test for performance obligations (or contracts) that have an expected duration of less than twelve months; and

(c) clarifying the type of costs that should be included in an assessment of whether an onerous liability exists.

Interim and annual disclosures

34. Most respondents (other than users) were concerned that the disclosure proposals would require excessive amounts of information to be disclosed and they questioned whether the usefulness of that information would justify the costs involved in preparing those disclosures. Not surprisingly, the users of financial statements that were involved in consultations on the revenue proposals held a different view—they were generally supportive of the disclosure proposals for annual financial statements and there was support for some or all of the disclosures proposed for interim financial statements.

35. The issues to be considered in redeliberating this topic include:

(a) The cost of preparation of the disclosures including the accessibility of information currently used by management;

(b) The usefulness of the disclosures to users of financial statements;

(c) Requirements for interim reporting; and

(d) FASB only – the differential needs of public and non-public users.

Transition and effective date

36. The Boards propose that the revenue standard should be applied retrospectively. The 2011 exposure draft includes some practical expedients that an entity could choose to apply to simplify the application of the revenue standard retrospectively. As outlined in the feedback summary, nearly all users would prefer the revenue standard to be applied retrospectively whereas most preparers request the Boards to permit prospective application or, at a minimum, provide additional practical expedients to reduce the cost and complexity of retrospective application.

37. The issues to be considered in redeliberating this topic include:

(a) analysing further the practical challenges and costs involved in applying the revenue standard retrospectively;

(b) assessing whether users' needs for comparable prior-period information can be met by alternative transition methodologies (eg prospective application, additional practical expedients) and which could be supplemented with additional disclosures on the financial statement effects of transitioning to the revenue standard; and

(c) selecting an effective date for the revenue standard that is appropriate for the transition methodology.

Other issues that require redeliberations

38. Finally, the plan includes several other discrete topics that have been identified by the staff as topics for redeliberation. These topics have been identified following feedback from the comment letters or outreach which requested the Boards to either:

(a) clarify or amend a proposal so that it better reflects the economics of specified transactions; or

(b) reconsider proposals that respondents indicated would be difficult or costly to apply in practice.

39. These issues are summarised in the following table:

Topic	**Dimensions of the issue**
1. Scope of the proposals	• Clarify the definition of a customer, particularly as it relates to collobarative arrangements and other risk sharing arrangements • Clarify the interaction between revenue proposals and the Boards' projects on leases, financial instruments and insurance contracts, especially in relation to: o repurchase agreements (leases) o financial services fees (financial instruments) o impairment of receivables comprising loan balances and services fees (financial instruments)

2. Contract issues	• Clarify the circumstances when contracts can or should be combined, including economically linked transactions • Clarify the contract modification requirements
3. Allocation of the transaction price	• Consider the use of the residual approach to estimate stand-alone selling prices (eg mobile phone handsets sold as part of a bundled arrangement or software contracts whereby two or more of the promised goods or services have highly variable or uncertain stand-alone selling prices) • Consider the basis for allocating discounts or variable consideration
4. Licences	• Consider further the application of the recognition and measurement principles to various license arrangement including licenses bundled with service contracts and time-based licenses
5. Contract costs	• Consider further the effects of requiring contract acquisition costs to be capitalised, including practical application challenges and the effect on comparability in some industries.
6. Non-financial assets	• Consider the suitability and sufficiency of applying the proposed revenue recognition and measurement requirements to the transfer of non-financial assets.
7. Sweep issues (including other consequential amendments)	• Various items to be considered.
8. Costs and benefits assessment	• Perform an overall analysis of the relative costs and benefits of the proposed revenue model. (This assessment would be in addition to the consideration of costs and benefits in the analysis of each of the individual topics for redeliberations.)

Other project planning considerations during the redeliberation phase

40. The staff has identified the following matters that also need to be considered as the redeliberations progress:

(a) interactions with other projects on the Boards' agenda – in particular cross cutting issues and synchronised effective dates;

(b) outreach during the redeliberations period;

(c) role of legacy US SEC literature on revenue recognition (FASB only); and

(d) US non-public entities (FASB only).

41. Each of these matters are discussed further in the paragraphs below.

Interactions with other projects

42. In addition to clarifying the interaction between the scope of the revenue proposals and the Boards' projects on leases, insurance contracts and financial instruments (as noted in paragraph 39 above), the project plan may also be influenced by the following matters:

(a) ***Cross cutting issues (eg acquisition costs, time value of money, disclosure framework)*** – Because further discussions will be taking place on these topics in the Boards' other projects, the staff will monitor those discussions to understand consistency concerns and/or proactively address any inconsistencies.

(b) ***Synchronised effective dates*** – Many constituents have raised concerns regarding the effective date and the interaction between the Boards' joint revenue project and other joint projects (for example, leases and financial instruments). The staff plan to include the latest information to the Boards when addressing that topic in redeliberations.

Outreach during redeliberations

43. The staff will continue to engage with constituents throughout the redeliberations process. Some of those outreach activities might precede the redeliberations on a topic in order to help the staff and Boards better understand the views of users and preparers on the topic being redeliberated and on the relative advantages and

disadvantages of the alternatives being considered for addressing the issue(s) related to that topic. Other outreach activities will occur after a topic has been redeliberated. One of the objectives of those outreach activities is to inform constituents of the Boards' tentative decisions during the redeliberations phase and, thereby, reduce the risk that any of the tentative decisions may create unintended consequences that are not identified prior to issuing the revenue standard.

44. Specifically, the staff have identified several outreach activities to complement the redeliberation plan, including:

(a) ***User discussions/workshops*** – to discuss several redeliberation topics associated with the recognition and measurement of revenue and related items including (i) time value of money, (ii) customer credit risk, (iii) the reasonably assured constraint on revenue, and (iv) the onerous test.

(b) ***Disclosure and transition workshop*** – to engage with users and preparers in a single session to debate and prioritize the usefulness and costliness of the Boards's annual and interim disclosure proposals and the proposed transition methodology.

(c) ***Other user and preparer based outreach*** – to discuss key changes and/or implications of changes with users and/or preparers on an as-required basis, which might involve outreach directed towards those industries that might be most affected by the topic being (or that has been) redeliberated by the Boards;

(d) ***Regulators & National Standard Setters*** – to maintain ongoing contact with various regulators and national standard setters to proactively identify any concerns or suggestions that may arise during the redeliberations, especially to identify any concerns that could be jurisdiction specific.

Role of legacy US SEC literature on revenue recognition (FASB only)

45. The staff is aware of comments raised by constituents regarding legacy US SEC literature. The staff plans to continue to discuss these matters with the SEC staff. The comments raised by those constituents include:

    (a) whether the existing revenue recognition literature (Staff Accounting Bulletins and EITF D topics) will be rescinded when the revenue standard becomes effective;

    (b) whether the SEC will align its presentation and disclosure requirements relating to revenue with the revenue standard, including, for example, the existing requirement for all SEC registrants to disaggregate revenue into revenue from goods and revenue from services and the presentation requirements for 'bad debt expense'; and

    (c) whether transitional relief will be provided to entities for the disclosure of the 5-year table of summarized financial information required in annual filings if entities are required to apply the revenue standard retrospectively.

US non-public entities (FASB only)

46. Most of the questions or concerns raised by non-public entities are consistent with those raised by public entities. However, some of the proposals may have a disproportionate effect on non-public entities in terms of the relative benefits and costs of the proposals. As such the FASB may need to consider separately if, and how, those proposals should apply to non-public entities. Consistent with other industry concerns raised, non-public entities utilize specific fact patterns or examples and request additional clarification and/or reconsideration of particular proposals. Throughout the redeliberations, the staff will continue to be responsive to the questions and concerns raised by non-public entities.

47. The 2011 exposure draft proposed specific guidance for non-public entities on disclosure and effective date and specific guidance was proposed for not-for-profit entities on the onerous test. Feedback received on these topics and others will be

evaluated by the staff and relevant information will be presented to the FASB during redeliberations. Additionally, as foreshadowed in paragraph 3, the proposed project plan reflects the preliminary feedback from non-public entities and the staff will continue to evaluate and update the plan as necessary.

Project planning considerations during the publications phase

48. Following the completion of substantive redeliberations on the project, the staff will proceed to draft the revenue standard and to prepare the standard for approval and, hence, issuance by the Boards. The staff expects that, although some of the drafting of the revenue standard will occur during the redeliberations phase, most of the drafting will occur after the redeliberations are complete.

49. The revised proposals in the 2011 exposure draft will provide the foundation for the draft revenue standard. Consistent with the Boards' due process procedures, the staff will prepare various drafts of the revenue standard for Board members to review and, ultimately, a ballot draft will be prepared for Board members to approve. In addition, at various times prior to the finalisation of the draft revenue standard, the staff intends to:

    (a) invite some constituents to participate in a fatal flaw review of the draft revenue standard;

    (b) liaise with the IASB's translations team to reduce the risk of translation difficulties arising when the revenue standard is translated into different languages; and

    (c) liaise with the IASB's and FASB's XBRL teams to discuss taxonomy issues related to the revenue standard.

50. In addition, the IASB due process procedures note that the following documents should be prepared to accompany a final standard :

    (a) a project summary and feedback statement;

    (b) an effects analysis.

The staff will prepare those documents for the IASB.

Project planning considerations post- publication

51. The Boards will need to consider the nature and extent of their involvement in revenue recognition matters after the revenue standard has been issued. That might include the following:

    (a) Developing a strategy (and corresponding materials) for educating users, preparers, auditors and other parties on the requirements in the revenue standard. Educating constituents on the revenue standard is an important initiative given the widespread interest and relevance of revenue recognition.

    (b) Confirming (and communicating) the IASB's and FASB's processes and procedures for addressing requests for interpretation on joint standards. A joint approach to interpretation will be necessary to maintain equivalence in the recognition of revenue under IFRSs and US GAAP.

    (c) Monitoring the implementation of the revenue standard and considering, where necessary, whether any additional implementation guidance might need to be promulgated.

Proposed timeline

52. The following table contains the staff's recommended sequencing of issues for redeliberations.

PROPOSED PROJECT TIMELINE

MONTH	TOPIC	DESCRIPTION	2011 ED Question	Core - recognition & measurement	Core - other	Discrete other
June 2012	Identification of separate performance obligations (Step 2)	Paragraphs 19-20		X		
July 2012	Satisfaction of performance obligations (Step 5)	Paragraphs 16-18	1	X		
	Contract issues (Step 1)	Paragraph 39, topic 2			X	
	Licenses	Paragraph 15 and Paragraph 39, topic 4		X		
	Onerous test	Paragraphs 32-33	4		X	
September 2012	Constraint (Step 5)	Paragraphs 21-24	3	X		
	Collectibility	Paragraphs 25-27	2	X		
	Time Value of Money (Step 3)	Paragraphs 28-29		X		
October 2012	Scope	Paragraph 39, topic 1				X
	Costs	Paragraph 39, topic 5				X
	Allocation of the transaction price (Step 4)	Paragraph 39, topic 3				X
	Nonfinancial assets	Paragraph 39, topic 6	6			X
November 2012	Disclosures	Paragraphs 34-35	5		X	
	Transition, effective date & early adoption	Paragraphs 36-37			X	
December 2012	Sweep issues & consequential amendments	Paragraph 39, topic 7				
	Cost-benefit analysis	Paragraph 39, topic 8				
Q1 2013	Publication	Fatal flaw reviews, balloting, external communications, translation, XBRL				
Q2 2013 & thereafter	Post-publication	Education efforts & implementation questions				

Discussion points – Proposed project plan
1. Do the Boards agree with the direction and sufficiency of the proposed project plan?
2. Are there any additional considerations that should be incorporated into the plan?