

STAFF PAPER

June 2015

IASB Meeting

Project	Revenue from Contracts with Customers		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

Overview of Agenda Paper

1. There are two papers for discussion at the June 2015 board meeting:
 - (a) *Principal versus Agent Considerations* (Agenda Paper 7A).
 - (b) *Clarifications to IFRS 15—Summary of Due Process* (Agenda Paper 7B).

Joint IASB-FASB paper—Agenda Paper 7A

2. *Principal versus Agent Considerations* (Agenda Paper 7A/FASB Memo No.2) discusses possible amendments to the guidance in IFRS 15 *Revenue from Contracts with Customers*.
3. The IASB discussed this topic at its May 2015 meeting and tentatively decided to clarify the guidance in IFRS 15 in two respects:
 - (a) To amend the application guidance on principal versus agent considerations to clarify how the control principle applies to services.
 - (b) To amend, and add to, the Illustrative Examples accompanying IFRS 15 with respect to the principal versus agent assessment.
4. In reaching those tentative decisions, the IASB agreed that it would discuss the topic jointly with the FASB in June 2015 before finalising its decisions in the

forthcoming Exposure Draft. The FASB has not had a decision-making discussion similar to the IASB's discussion in May 2015.

5. Accordingly, agenda paper 7A is a joint paper setting out proposed amendments to the guidance on principal versus agent considerations. In the light of the tentative decisions that the IASB has already made, the questions for the IASB at this meeting is:
 - (a) Does the IASB wish to retain its tentative decisions from the May 2015 meeting, without proposed any further amendments; or
 - (b) In addition to its tentative decisions in May 2015, does the IASB wish to make two further amendments to the guidance on principal versus agent considerations?

IASB Agenda Paper—Agenda Paper 7B

6. *Clarifications to IFRS 15—Summary of Due Process* (Agenda paper 7B) sets out the due process steps that the IASB has taken relating to the Exposure Draft *Clarifications to IFRS 15*, and asks the IASB to confirm that it is satisfied that it has complied with the due process requirements to date.
7. The paper also:
 - (a) asks the IASB to decide upon a comment period for the Exposure Draft; and
 - (b) discusses transition requirements and the effective date of any possible amendments to IFRS 15.
8. The IASB plans to publish this Exposure Draft before the end of July 2015.