



<b>Project:</b>	<b>Accounting for revenue from licences issued by not-for-profit public sector entities</b>	<b>Meeting</b>	AASB October 2017 (M160)
<b>Topic:</b>	<b>Proposed amendments to AASB 15</b>	<b>Agenda Item:</b>	3.0
<b>Contact(s):</b>	Justine Keenan <a href="mailto:jkeenan@asb.gov.au">jkeenan@asb.gov.au</a> 03 9617 7642  Robert Keys <a href="mailto:rkeys@asb.gov.au">rkeys@asb.gov.au</a> 03 9617 7639  Kala Kandiah <a href="mailto:kkandiah@asb.gov.au">kkandiah@asb.gov.au</a> 03 9617 7626	<b>Project Priority:</b>	High
		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	Developing accounting options and guidance and drafting of Exposure Draft

## Introduction and objective of the meeting

- 1 The objective of this meeting is to seek the Board's:
  - (a) comments on the partly drafted Exposure Draft *28X Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Entities that issue Licences* including its Basis for Conclusions; and
  - (b) decision on the guidance to be included in AASB 15 *Revenue from Contracts with Customers* to account for revenue from licences issued by not-for-profit (NFP) public sector entities.

## Link to project summary

[http://www.aasb.gov.au/admin/file/content102/c3/Licences\\_Issued\\_by\\_NFP\\_Public\\_Sector\\_%20Entities\\_Project\\_Summary.pdf](http://www.aasb.gov.au/admin/file/content102/c3/Licences_Issued_by_NFP_Public_Sector_%20Entities_Project_Summary.pdf)

## Attachments

- Agenda Paper 3.1 Partial Draft ED 28X
- Agenda Paper 3.2 Options for amending and providing guidance in AASB 15 for accounting for revenue from licences issues by NFP public sector entities

**Overview of agenda papers**

- 2      Agenda Paper 3.1 reflects the Board's decisions to date in the format of a partly drafted Exposure Draft - including the Board's rationale for the decisions in a draft (partial) Basis for Conclusions. Although this document is presented in the format of an Exposure Draft, it is incomplete in some significant areas. Sections still to be completed are noted throughout the document as '... to do ....' The document also contains STAFF NOTES TO BOARD. The main reason that sections are yet to be completed is that they are dependent on the overall approach the Board decides to take, which is the subject of Agenda Paper 3.2. Agenda Paper 3.1 includes three questions to the Board (refer to paragraphs G3/BC57, BC14 and BC58 in that paper) in support of staff recommendations included in the partly completed draft ED.
  
- 3      Agenda Paper 3.2 identifies and discusses possible options for the approach the Board could take in amending and adding guidance in AASB 15 to account for revenue from licences issued by not-for-profit public sector entities. To facilitate the Board's discussion of the options, staff have identified various examples of licences and examined how the specific guidance in AASB 15 for IP licence (in paragraphs B52 to B63 of AASB 15) might be applied to these examples. Agenda Paper 3.2 includes three questions to the Board (refer to paragraphs 12 and 18 in that paper). Staff recommendations have been summarised in paragraph 5 of that paper.

**Next steps**

- 4      The project should be completed by 31 December 2018 to ensure the amendments and guidance in AASB 15 in relation to accounting for revenue from licences issued by NFP public sector entities are available for application by NFP public sector entities to annual reporting periods beginning on or after 1 January 2019 (i.e. the same time that AASB 15 and AASB 1058 are applicable to NFP entities).
  
- 5      Below is a draft timeline/project plan in view of the above:

<b>Meeting / Deliverable</b>	<b>Key objectives</b>
<b>10 October 2017:</b> (this meeting)	Approve contents of partial draft ED and decide on an option to amend and provide guidance in AASB 15 for accounting for revenue from licences issued by NFP public sector entities
<b>27 November 2017:</b> first mail out for December meeting	Staff to provide updated ED (incl. BC) to Board reflecting the decisions made by Board in October meeting
<b>12-13 December 2017:</b> Board meeting	Board to approve ED for public issue with 3 months comment period
<b>21 December 2017:</b> Issue ED	Issue ED for public comment for three month period
<b>February 2018:</b> Indicative timing for Board meeting	No deliverables – ED still out for public comment

<b>Meeting / Deliverable</b>	<b>Key objectives</b>
<b>31 March 2018:</b> Comments due on ED	Comments due from public (prior to 31 March, targeted outreach to constituents)
<b>April 2018:</b> Staff collate feedback	Collate feedback on ED and recommend next steps to board (papers might go out in second mail out if comment period closes too close to first mail out)
<b>April 2018:</b> Indicative timing for Board meeting	Discuss feedback and next steps
<b>June 2018:</b> Indicative timing for Board meeting	Staff to present draft Standard with recommended changes to board for consideration and possibly additional examples and guidance to consider
<b>July 2018:</b> Staff refine draft Standard	Staff to refine draft standard, guidance and examples based on board decisions in June
<b>August 2018:</b> Indicative timing for Board meeting:	Possibly take draft standard to board for reconsideration or this may be performed out of session as most decisions may have already been made (purpose is mainly refining final wording)
<b>September 2018:</b> Issue Draft Standard for fatal flaw comments	Put Draft Standard out for fatal flaw comments – 1 month
<b>October 2018:</b> Indicative timing for Board meeting:	Board deliberations on fatal flaw comments
<b>November 2018:</b> Draft final standard	Update draft Standard for fatal flaw comments and get board to vote out of session )
<b>December 2018</b>	Final guidance / amending Standard issued

6 **Question:** Does the Board agree with draft timeline/project plan?