

**Analysis of Disclosure  
Requirements in AASB ED 222  
*Revenue from Contracts with  
Customers* with a View to  
Determining Corresponding Tier 2  
Disclosure Requirements**

Disclosure requirements in ED 222	Disclosure requirements in <i>IFRS for SMEs</i> Section 23 Revenue	Analysis
62 An entity shall present the effects of financing separately from revenue (as interest expense or interest income) in the statement of comprehensive income.	5.5 As a minimum, an entity shall include, in the statement of comprehensive income, line items that present the following amounts for the period: (a) revenue. (b) finance costs. (c) ...	Paragraph 62 and paragraph 5.5 of the <i>IFRS for SMEs</i> correspond. Paragraph 62 also corresponds to AASB 101 paragraph 82(b) which has been retained in Tier 2 requirements.  The disclosure required by paragraph 62 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements without significantly increasing the costs to the reporting entity.  Based on paragraph 5 and paragraph 6(e) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles applied by the IASB in developing its <i>IFRS for SMEs</i> , paragraph 62 should be retained in the Tier 2 disclosure requirements.
<b>Presentation</b>		
<b>104 When either party to a contract has performed, an entity shall present the contract in the statement of financial position as a <i>contract liability</i>, a contract asset, or a receivable depending on the relationship between the entity’s performance and the customer’s payment.</b>	<b>Disclosures relating to revenue from construction contracts</b> 23.32 An entity shall present: (a) the gross amount due from customers for contract work, as an asset. (b) the gross amount due to customers for contract work, as a liability.	Paragraph 104 and paragraph 23.32 of the <i>IFRS for SMEs</i> correspond.  The disclosure required by paragraph 104 provides information about contract assets and contract liabilities arising from the ordinary activities of the entity. This information is significant from a user needs point of view and the benefits of this disclosure to the users are expected to exceed the costs to the entity.  Based on paragraph 5 of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles applied by the IASB in developing its <i>IFRS for SMEs</i> , paragraph 104 should be retained in the Tier 2 disclosure requirements.
105 If a customer pays consideration or an amount of consideration is due before an entity performs by transferring a good or service, the		Paragraph 105 has no equivalent in the <i>IFRS for SMEs</i> . Paragraph 105 clarifies the requirements of paragraph 104 and is implicit in paragraph 23.32(b) of the <i>IFRS</i>

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<p>entity shall present the contract as a contract liability. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.</p>		<p><i>for SMEs</i></p> <p>The disclosure required by paragraph 105 provides information about contract liabilities arising from ordinary activities of the entity. This information is significant from a user needs point of view and the benefits of this disclosure to the users are expected to exceed the costs to the entity.</p> <p>Based on paragraph 5 of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles applied by the IASB in developing its <i>IFRS for SMEs</i>, paragraph 105 should be retained in the Tier 2 disclosure requirements.</p>
<p>106 If an entity performs by transferring goods or services to a customer before the customer pays consideration, the entity shall present the contract as either a contract asset or as a receivable depending on the nature of the entity's right to consideration for its performance.</p> <p>(a) A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer, when that right is conditioned on something other than the passage of time (for example, the entity's future performance).</p> <p>(b) A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if nothing other than the passage of time is required before payment of that consideration is due. An entity shall account for a receivable in</p>		<p>Paragraph 106 has no equivalent in the <i>IFRS for SMEs</i>. Paragraph 106 clarifies the requirements of paragraph 104.</p> <p>The disclosure required by paragraph 106 provides information about contract assets arising from the ordinary activities of the entity. This information is significant from a user needs point of view and the benefits of this disclosure to the users are expected to exceed the costs to the entity.</p> <p>Based on paragraph 5 of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles applied by the IASB in developing its <i>IFRS for SMEs</i>, paragraph 106 should be retained in the Tier 2 disclosure requirements.</p>

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accordance with IFRS 9.		
107 This [draft] IFRS uses the terms contract asset and contract liability but does not prohibit an entity from using alternative descriptions in the statement of financial position for those items. If an entity uses an alternative description for a contract asset, the entity shall provide sufficient information for a user of the financial statements to distinguish between unconditional rights to consideration (ie receivables) and conditional rights to consideration (ie contract assets).		<p>Paragraph 107 has no equivalent in the <i>IFRS for SMEs</i>. Paragraph 107 clarifies the requirements of paragraph 104 and is implicit in paragraph 23.32 of the <i>IFRS for SMEs</i></p> <p>The disclosure required by paragraph 107 satisfies the information needs of users in regard to transactions and other events and conditions encountered by such entities without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(e) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles applied by the IASB in developing its <i>IFRS for SMEs</i>, paragraph 107 should be retained in the Tier 2 disclosure requirements.</p>
108 An entity shall present a liability for onerous performance obligations (in accordance with paragraph 86) separately from contract assets or contract liabilities.		<p>Paragraph 108 has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosure required by paragraph 108 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(e) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles applied by the IASB in developing its <i>IFRS for SMEs</i>, paragraph 108 should be retained in the Tier 2 disclosure requirements.</p>
<b>Disclosure</b>		
109 <b>The objective of the disclosure requirements is to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To</b>		<p>Paragraph 109 has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosures required by paragraph 109(a) and paragraph 109(c) satisfy the information needs of users in regard to short-term cash flows and liquidity and solvency, without significantly increasing the costs to</p>

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<p>achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:</p> <p>(a) its contracts with customers (paragraphs 113–123);</p> <p>(b) the significant judgements, and changes in the judgements, made in applying the [draft] IFRS to those contracts (paragraphs 124–127); and</p> <p>(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraphs 91 and 94 (paragraphs 128 and 129).</p>		<p>the reporting entity.</p> <p>Based on paragraph 5 and paragraphs 6(a) and 6(b) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 109(a) and paragraph 109(c) should be retained in the Tier 2 disclosure requirements.</p> <p>The disclosure required by paragraph 109(b) satisfies the information needs of users in regard to measurement uncertainties without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(c) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 109(b) should be retained in the Tier 2 disclosure requirements.</p>
<p>110 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.</p>		<p>Paragraph 110 supports the overall objective for the disclosure of revenue from contracts with customers specified in paragraph 104.</p> <p>Paragraph 110 has no equivalent of the <i>IFRS for SMEs</i>. It provides guidance but does not add disclosure requirements. Based on paragraph 7 of ‘Tier 2 Disclosure Principles’, paragraph 110 should be retained in the Tier 2 disclosure requirements.</p>
<p>111 Amounts disclosed are for each period for which a statement of comprehensive income is presented and as of each period for which a statement of financial position is presented, as applicable, unless otherwise stated.</p>		<p>Paragraph 111 has no equivalent in the <i>IFRS for SMEs</i>. It provides guidance but does not add disclosure requirements. Based on paragraph 7 of ‘Tier 2 Disclosure Principles’, paragraph 111 should be retained in the Tier 2 disclosure requirements.</p>
<p>112 An entity need not disclose information in accordance with this [draft] IFRS if it has provided the information in accordance with another IFRS.</p>		<p>Paragraph 112 has no equivalent in the <i>IFRS for SMEs</i>. It provides guidance and does not add disclosure requirements, rather, it helps avoid duplicate disclosures. Based on paragraph 7 of ‘Tier 2 Disclosure Principles’, paragraph 112 should be retained in the</p>

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		Tier 2 disclosure requirements.
<b>Contracts with customers</b>		
<p>113 An entity shall disclose information about its contracts with customers, including all of the following:</p> <ul style="list-style-type: none"> <li>(a) a disaggregation of revenue for the period (paragraphs 114–116);</li> <li>(b) a reconciliation from the opening to the closing aggregate balance of contract assets and contract liabilities (paragraph 117); and</li> <li>(c) information about the entity’s performance obligations (paragraphs 118–121), including additional information about any onerous performance obligations (paragraphs 122 and 123).</li> </ul>	<p>23.30 An entity shall disclose:</p> <ul style="list-style-type: none"> <li>(a) ...</li> <li>(b) the amount of each category of revenue recognised during the period, showing separately, at a minimum, revenue arising from: <ul style="list-style-type: none"> <li>(i) the sale of goods.</li> <li>(ii) the rendering of services.</li> <li>(iii) interest.</li> <li>(iv) royalties.</li> <li>(v) dividends.</li> <li>(vi) commissions.</li> <li>(vii) government grants.</li> <li>(viii) any other significant types of revenue.</li> </ul> </li> </ul>	<p>Paragraph 113(a) is implicit in the requirements of paragraph 23.30(b) of the <i>IFRS for SMEs</i>. Paragraphs 113(b) and 113(c) have no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosure required by paragraph 113(a) and paragraph 113(c) satisfy the information needs of users in regard to disaggregation of amounts presented in the financial statements and short-term cash flows and about obligations, commitments or contingencies without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5, paragraph 6(a) and paragraph 6(e) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 113(a) and paragraph 113(c) should be retained in the Tier 2 disclosure requirements.</p> <p>The disclosure required by paragraph 113(b) satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements. However, the cost to entities of disclosures required by paragraph 113(b) would be expected to exceed the benefits to users.</p> <p>Based on paragraph 5 of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 113(b) should be excluded from the Tier 2 disclosure requirements.</p>
<i>Disaggregation of revenue</i>		
114 An entity shall disaggregate revenue from	23.30 An entity shall disclose:	Paragraph 114 corresponds to paragraph 23.30(b) and

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<p>contracts with customers (excluding amounts presented for customers' credit risk) into the primary categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. To meet the disclosure objective in paragraph 109, an entity may need to use more than one type of category to disaggregate revenue.</p>	<p>(a) ...</p> <p>(b) the amount of each category of revenue recognised during the period, showing separately, at a minimum, revenue arising from:</p> <ul style="list-style-type: none"> <li>(i) the sale of goods.</li> <li>(ii) the rendering of services.</li> <li>(iii) interest.</li> <li>(iv) royalties.</li> <li>(v) dividends.</li> <li>(vi) commissions.</li> <li>(vii) government grants.</li> <li>(viii) any other significant types of revenue.</li> </ul> <p><b>Disclosures relating to revenue from construction contracts</b></p> <p>23.31 An entity shall disclose the following:</p> <ul style="list-style-type: none"> <li>(a) the amount of contract revenue recognised as revenue in the period.</li> </ul>	<p>paragraph 23.31 of the <i>IFRS for SMEs</i>, as both paragraph 114 and the <i>IFRS for SMEs</i> require a disaggregation of revenue to be disclosed.</p> <p>The disclosure required by paragraph 114 satisfies the information needs of users in regard to short-term cash flows and disaggregation of amounts presented in the financial statements without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 paragraph 6(a) and paragraph 6(e) of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles of the <i>IFRS for SMEs</i>, paragraph 114 should be retained in the Tier 2 disclosure requirements.</p>
<p>115 Examples of categories that might be appropriate include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) type of good or service (for example, major product lines);</li> <li>(b) geography (for example, country or region);</li> <li>(c) market or type of customer (for example, government and non-government customers);</li> <li>(d) type of contract (for example, fixed-price and time-and-materials</li> </ul>		<p>Paragraph 115 has no equivalent in the <i>IFRS for SMEs</i>. It provides guidance but does not add disclosure requirements. Based on paragraph 7 of 'Tier 2 Disclosure Principles', paragraph 115 should be retained in the Tier 2 disclosure requirements.</p>

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<p>contracts);</p> <p>(e) contract duration (for example, short-term and long-term contracts);</p> <p>(f) timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time); and</p> <p>(g) sales channels (for example, goods sold directly to consumers and goods sold through intermediaries).</p>		
116 [This paragraph in the FASB exposure draft is not used in the IASB exposure draft]		n/a
<i>Reconciliation of contract balances (see paragraph IE17)</i>		
<p>117 An entity shall disclose in tabular format a reconciliation from the opening to the closing aggregate balance of contract assets and contract liabilities. The reconciliation shall disclose each of the following, if applicable:</p> <p>(a) the amount(s) recognised in the statement of comprehensive income arising from either of the following:</p> <p>(i) revenue from performance obligations satisfied during the reporting period; and</p> <p>(ii) revenue from allocating changes in the transaction price to performance obligations satisfied in previous reporting periods;</p>		<p>Paragraph 117 has no equivalent in the <i>IFRS for SMEs</i>. The disclosure required by paragraph 117 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements. However, the cost to entities of disclosure required by paragraph 117 would be expected to exceed the benefits to users.</p> <p>Based on paragraph 5 of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 117 should be excluded from the Tier 2 disclosure requirements.</p>



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(b) cash received; (c) amounts transferred to receivables; (d) non-cash consideration received; (e) effects of business combinations; and (f) any additional line items that may be needed to understand the change in the contract assets and contract liabilities.		
<i>Performance obligations</i>		
118 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following: (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service); (b) the significant payment terms (for example, when payment is typically due, whether the consideration amount is variable and whether the contract has a significant financing component); (c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent); (d) obligations for returns, refunds and other similar obligations; and		<p>Paragraphs 118(a) – (c) have no equivalent in the <i>IFRS for SMEs</i>.</p> <p>Paragraphs 118(d) and paragraph 118(e) correspond to paragraph 85(a) of AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> “85. An entity shall disclose the following for each class of provision: (a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits” (equivalent to paragraph 21.14(b) of the <i>IFRS for SMEs</i>). Paragraph 85(a) of AASB 137 has been retained in Tier 2 disclosure requirements.</p> <p>The disclosure required by paragraph 118 satisfies the information needs of users in regard to short-term cash flows and about obligations, commitments or contingencies, whether or not recognised as liabilities without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(a) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 118 should be retained in the Tier 2 disclosure requirements.</p>

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(e) types of warranties and related obligations.		
<p>119 For contracts with an original expected duration of more than one year, an entity shall disclose the following information as of the end of the current reporting period:</p> <p>(a) the aggregate amount of the transaction price allocated to remaining performance obligations; and</p> <p>(b) an explanation of when the entity expects to recognise that amount as revenue.</p>		<p>Paragraph 119 has no equivalent in the <i>IFRS for SMEs</i>. The disclosure required by paragraph 119 satisfies the information needs of users in regard to short-term cash flows and about obligations, commitments or contingencies, whether or not recognised as liabilities without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(a) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 119 should be retained in the Tier 2 disclosure requirements.</p>
<p>120 An entity may disclose the information in paragraph 119 either on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations or by using qualitative information.</p>		<p>Paragraph 120 has no equivalent in the <i>IFRS for SMEs</i>. It is in the nature of guidance and does not add to disclosure requirements. Based on paragraph 7 of ‘Tier 2 Disclosure Principles’, paragraph 120 should be retained in the Tier 2 disclosure requirements.</p>
<p>121 As a practical expedient, an entity need not disclose the information in paragraph 119 for a performance obligation if the entity recognises revenue in accordance with paragraph 42.</p>		<p>Paragraph 121 has no equivalent in the <i>IFRS for SMEs</i>. Paragraph 121 reduces disclosure requirements. Accordingly paragraph 121 should be retained in the Tier 2 disclosure requirements.</p>
<u>Onerous performance obligations</u>		
<p>122 An entity shall disclose the amount of the liability recognised for onerous performance obligations along with a description of all of the following:</p> <p>(a) the nature and amount of the remaining performance obligation(s) in the contract that are onerous for</p>		<p>Paragraphs 122(a) and 122(c) correspond to paragraph 85(a) of AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> quoted in analysing paragraph 113 above (equivalent to paragraph 21.14(b) in Section 21 of the <i>IFRS for SMEs</i>). Paragraph 85(a) of AASB 137 has been retained in Tier 2 disclosure requirements.</p>

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<p>which the liability has been recognised;</p> <p>(b) why those performance obligations are onerous; and</p> <p>(c) when the entity expects to satisfy those performance obligations.</p>		<p>Paragraph 122(b) has no equivalent in the <i>IFRS for SMEs</i></p> <p>The disclosure required by paragraph 122 satisfies the information needs of users in regard to short-term cash flows and about obligations, commitments or contingencies, whether or not recognised as liabilities without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(a) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 122 should be retained in the Tier 2 disclosure requirements.</p>
<p>123 An entity shall disclose in tabular format a reconciliation from the opening to the closing balance of the liability recognised for onerous performance obligations. The reconciliation shall include the amounts attributable to each of the following, if applicable:</p> <p>(a) increases in the liability from performance obligations that became onerous during the period;</p> <p>(b) reductions of the liability from performance obligations satisfied during the period;</p> <p>(c) changes in the measurement of the liability that occurred during the reporting period; and</p> <p>(d) any additional line items that may be needed to understand the change in the liability recognised.</p>		<p>Paragraph 123 has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosure required by paragraph 123 satisfies the information needs of users in regard to disaggregation of amounts presented in the financial statements. However, the cost to entities of disclosure required by paragraph 123 would be expected to exceed the benefits to users.</p> <p>Based on paragraph 5 of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 123 should be excluded from the Tier 2 disclosure requirements.</p>

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<b>Significant judgements in the application of the [draft] IFRS</b>		
<p>124 An entity shall disclose the judgements, and changes in the judgements, made in applying this [draft] IFRS that significantly affect the determination of the amount and timing of revenue from contracts with customers. At a minimum, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following:</p> <ul style="list-style-type: none"> <li>(a) the timing of satisfaction of performance obligations (paragraphs 125 and 126); and</li> <li>(b) the transaction price and the amounts allocated to performance obligations (paragraph 127).</li> </ul>		<p>Paragraph 124 has no equivalent in the <i>IFRS for SMEs</i>. The disclosure required by paragraph 124 satisfies the information needs of users in regard to measurement uncertainties without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(c) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 124 should be retained in the Tier 2 disclosure requirements.</p>
<i>Determining the timing of satisfaction of performance obligations</i>		
<p>125 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:</p> <ul style="list-style-type: none"> <li>(a) the methods used to recognise revenue (for example, a description of the output method or input method); and</li> <li>(b) an explanation of why such methods are a faithful depiction of the transfer of goods or services.</li> </ul>	<p><b>General disclosures about revenue</b></p> <p>23.30 An entity shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the <b>accounting policies</b> adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services.</li> </ul> <p><b>Disclosures relating to revenue from construction contracts</b></p> <p>23.31 An entity shall disclose the following:</p> <ul style="list-style-type: none"> <li>(a) ...</li> <li>(b) the methods used to determine the contract</li> </ul>	<p>Paragraph 125(a) corresponds to paragraph 23.30(a), paragraph 23.31(b) and paragraph 23.31(c) of the <i>IFRS for SMEs</i>, as both require disclosure of the accounting policies/methods used to account for revenue.</p> <p>The disclosure required by paragraph 125(a) satisfies the information needs of users in regard to the entity’s accounting policy choices without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(d) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 125(a) should be retained in the Tier 2 disclosure requirements.</p>

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	<p>revenue recognised in the period.</p> <p>(c) the methods used to determine the stage of completion of contracts in progress.</p>	<p>Paragraph 125(b) has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosure required by paragraph 125(b) satisfies the information needs of users in regard to the entity's accounting policy choices. However, the cost to entities of the disclosure required by paragraph 125(b) would be expected to exceed the benefits to users.</p> <p>Based on paragraph 5 of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles of the <i>IFRS for SMEs</i>, paragraph 125(b) should be excluded from the Tier 2 disclosure requirements.</p>
<p>126 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when the customer obtains control of promised goods or services.</p>		<p>Paragraph 126 has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosure required by paragraph 126 satisfies the information needs of users in regard to transactions and other events and conditions encountered by such entities without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(f) of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles of the <i>IFRS for SMEs</i>, paragraph 126 should be retained in the Tier 2 disclosure requirements.</p>
<p><i>Determining the transaction price and the amounts allocated to performance obligations</i></p>		
<p>127 An entity shall disclose information about the methods, inputs and assumptions used to:</p> <p>(a) determine the transaction price;</p> <p>(b) estimate stand-alone selling prices of promised goods or services;</p> <p>(c) measure obligations for returns, refunds and other similar obligations;</p>	<p><b>General disclosures about revenue</b></p> <p>23.30 An entity shall disclose:</p> <p>(a) the <b>accounting policies</b> adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services.</p>	<p>Paragraph 127 corresponds to paragraph 23.30(a), paragraph 23.31(b) and paragraph 23.31(c) of the <i>IFRS for SMEs</i>, as both require disclosure of the methods used to account for revenue.</p> <p>The disclosure required by paragraph 127 satisfies the information needs of users in regard to measurement uncertainty and the entity's accounting policy choices without significantly increasing the costs to the</p>

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<p>and</p> <p>(d) measure the amount of the liability recognised for onerous performance obligations.</p>	<p><b>Disclosures relating to revenue from construction contracts</b></p> <p>23.31 An entity shall disclose the following:</p> <p>(a) ...</p> <p>(b) the methods used to determine the contract revenue recognised in the period.</p> <p>(c) the methods used to determine the stage of completion of contracts in progress.</p>	<p>reporting entity.</p> <p>Based on paragraph 5, paragraph 6(c) and paragraph 6(d) of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 127 should be retained in the Tier 2 disclosure requirements.</p>
<p><b>Assets recognised from the costs to obtain or fulfil a contract with a customer</b></p>		
<p>128 An entity shall disclose a reconciliation of the opening and closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraphs 91 and 94), by main category of asset (for example, costs to obtain contracts with customers, precontract costs and set-up costs). The reconciliation shall include amounts related to each of the following, if applicable:</p> <p>(a) additions;</p> <p>(b) amortisation;</p> <p>(c) impairment losses;</p> <p>(d) reversals of impairment losses; and</p> <p>(e) any additional line items that may be needed to understand the change in the reporting period.</p>		<p>Paragraph 128 has no equivalent in the <i>IFRS for SMEs</i>.</p> <p>The disclosures required by paragraph 128 satisfy the information needs of users in regard to disaggregation of amounts presented in the financial statements. However, the cost to entities of disclosures required by paragraph 128 would be expected to exceed the benefits to users.</p> <p>Based on paragraph 5 of ‘Tier 2 Disclosure Principles’, applying the ‘user need’ and ‘cost-benefit’ principles of the <i>IFRS for SMEs</i>, paragraph 128 should be excluded from the Tier 2 disclosure requirements.</p>
<p>129 An entity shall describe the method it uses to determine the amortisation for each reporting</p>		<p>Paragraph 129 has no equivalent in the <i>IFRS for SMEs</i>.</p>

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period.		<p>The disclosure required by paragraph 129 in regard to amortisation of assets arising from the costs incurred to obtain or fulfill a contract with a customer satisfies the information needs of users in regard to the entity's accounting policy choices without significantly increasing the costs to the reporting entity.</p> <p>Based on paragraph 5 and paragraph 6(d) of 'Tier 2 Disclosure Principles', applying the 'user need' and 'cost-benefit' principles of the <i>IFRS for SMEs</i>, paragraph 129 should be retained in the Tier 2 disclosure requirements.</p>