



Memorandum

To:	AASB and FRSB members	Date:	24 November 2010
From:	Jim Paul	Agenda Item:	8.1
Subject:	Income from Non-Exchange Transactions	File:	P35

Actions

- Consider whether to retain or amend the recognition treatment of ‘advance receipts’ obligations proposed in AASB ED 180/FRSB ED 118 *Income from Non-exchange Transactions (Taxes and Transfers)*; and
- Consider whether you agree with the analysis of the types of obligations indicated to arise in the examples in Agenda Paper 8.3.

Background

The Boards have redeliberated the proposals in AASB ED 180/FRSB ED 118 regarding performance obligations and return obligations, which collectively were the subject of Question (d) in the ED’s Request for Comments (on ‘conditions on transferred assets’). The other main category of obligations for which the ED contained proposals is ‘advance receipts’ (which were the subject of Question (e) in the ED’s Request for Comments).

The purpose of this agenda item is to complete the Boards’ redeliberations on the identification of obligations within the scope of this project. The staff will then develop agenda papers for the Boards’ redeliberation of the liability measurement proposals in the ED.

A crucial development affecting the context of ‘advance receipts’ obligations is the tentative decision of the Boards that enforceable performance obligations and enforceable return obligations each qualify as liabilities on a standalone basis. This decision removes what is arguably an inconsistency between the ED’s proposal that an advance receipt (which does not incorporate a performance obligation) is a liability and its proposal that return obligations must be accompanied by a performance obligation if they are to qualify as liabilities.

Attachments

Agenda Paper	Title
8.2	‘Advance Receipts’ Liabilities — Redeliberation of Proposals in AASB ED 180/FRSB ED 118
8.3	Income from Non-Exchange Transactions – Categories of Obligations

Previous Papers

Copies of AASB ED 180/FRSB ED 118 are available from the AASB's website (www.aasb.gov.au) and the NZICA's website (www.nzica.com). Alternatively, members wanting a hard copy of ED 180/ED 118 should contact staff (jpaul@aaab.gov.au or joanne.scott@nzica.com).

Submissions on AASB ED 180/FRSB ED 118 comprised Agenda Paper B4.1 for the joint AASB/FRSB meeting in March 2010. The staff's collation of those submissions comprised Agenda Paper B4.2 for that meeting.

Submissions from Australian respondents are also available from the AASB's website (linked to the ED). Submissions from New Zealand respondents are available from joanne.scott@nzica.com.