



Memorandum

To:	AASB members	Date:	26 November 2013
From:	Christina Ng	Agenda Item:	11.1
Subject:	Revenue based projects – Project Update	File:	

Overview

At the December 2013 AASB meeting, members will receive an update on the following projects:

- IASB and FASB Revenue from Contracts with Customers
- AASB Service Concession Arrangements: Grantor
- AASB Income from Transactions of Not-for-profit Entities

Attachment

Agenda paper 11.2 Memorandum on Service Concession Arrangements: Grantor – Project Update

Agenda paper 11.3 PowerPoint slides: Revenue from Contracts with Customers- Summary of key decisions October 2013 (to be tabled)

Background

In November 2011, the AASB issued ED 222 *Revenue from Contracts with Customers*, which incorporates the IASB's ED/2011/6 *Revenue from Contracts with Customers*. The comment period for the IASB's ED/2011/6 closed on 13 March 2012 (the comment period for AASB ED 222 closed on 9 February 2012). AASB staff participated in IASB outreach in the first half of 2012, including the IASB outreach meeting in Malaysia and the Revenue Roundtable in Japan. The IASB and the FASB began considering comments received on the proposals in Q2 2012.

The most recent IASB work plan indicates that an IFRS is expected to be finalised in Q1 2013.

Project update

The IASB and FASB held a joint meeting on 28 October - 1 November 2013, at which the Boards finalised their deliberations in relation to the revenue project.

The Boards reached joint decisions on:

- The constraint on estimates of variable consideration
- Implementation guidance for licences; and

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- Including assessments of customer credit risk (ie collectability) in the revenue model.

The update to AASB members will:

- provide an overview of the IASB's decisions (tabled Agenda Paper 11.3);
- outline the draft project plan for the AASB Service Concession Arrangements: Grantor project (Agenda Paper 11.2); and
- update on the AASB Income from Transactions of Not-for-profit Entities project (verbal update).