

**SUMMARY OF PRESENTATION AND DISCLOSURE REQUIREMENTS: REVENUE**

PRESENTATION			
With performance obligations		Without performance obligations	
ED 70 proposed requirements	Current IPSAS 9 and IPSAS 11 requirements	ED 71 proposed requirements	Current IPSAS 23 requirements
<b>Binding arrangement assets and liabilities</b>			
When either party to the binding arrangement with performance obligations has performed, recognise a binding arrangement asset or liability in the statement of financial position, depending on the relationship between the entity's performance and purchaser's payment.	No specific presentation requirements are included.	When either party to the binding arrangement with present obligations has performed, recognise a binding arrangement asset or liability in the statement of financial position, depending on the relationship between the entity's performance and transfer provider's payment.	No specific presentation requirements are included.
Binding arrangement liability: <ul style="list-style-type: none"> <li>• Represents the entity's obligation to transfer goods or services to the purchaser or 3<sup>rd</sup> party beneficiary.</li> <li>• Arises when an entity receives consideration, or has a right to consideration that is unconditional, before transferring any goods or services to the purchaser or 3<sup>rd</sup> party beneficiary.</li> </ul>		Binding arrangement liability: <ul style="list-style-type: none"> <li>• Represents the entity's obligation to satisfy a present obligation.</li> <li>• Arises when an entity receives a transfer, or has a right to a transfer that is unconditional, before satisfying present obligations.</li> </ul>	
Binding arrangement asset: <ul style="list-style-type: none"> <li>• Represents the entity's right to consideration in exchange for goods or services that the entity has transferred to the purchaser or 3<sup>rd</sup> party beneficiary.</li> <li>• Arises where the entity transfers goods or services to the purchaser or 3<sup>rd</sup> party beneficiary before receiving consideration or before payment is due. This excludes amounts presented as a receivable.</li> </ul>		Binding arrangement asset: <ul style="list-style-type: none"> <li>• Represents the entity's right to a transfer to satisfy present obligations.</li> <li>• Arises where the entity performs by satisfying present obligations before the transfer is received or is due. This excludes amounts presented as a receivable.</li> <li>• Is assessed for impairment using IPSAS 41 on <i>Financial Instruments</i>.</li> </ul>	

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<ul style="list-style-type: none"> <li>Is assessed for impairment using IPSAS 41 on <i>Financial Instruments</i>.</li> </ul> <p>An example could be where an entity is required to provide Good A and then Good B to a purchaser, but the payment is only receivable once Good B is provided. When Good B is provided, it represents a binding arrangement asset.</p>		<p>An example could be where an entity is required to incur eligible expenditure, but a portion of the transfer is only receivable once the transfer provider has confirmed that the entity has incurred expenditure as required. When the transfer provider confirms the expenditure is eligible, it represents a binding arrangement asset.</p>	
<b>Receivables</b>			
<p>A receivable is an entity's right to receive consideration that is unconditional. A right is unconditional if only the passage of time is required before the payment of that consideration is due.</p> <p>An entity presents any unconditional rights to consideration separately as a receivable.</p>	<p>No specific presentation requirements are included.</p>	<p>A receivable is an entity's right to receive a transfer that is unconditional. A right is unconditional if only the passage of time is required before the payment of that transfer is due.</p> <p>A transfer recipient presents any unconditional rights to a transfer separately as a receivable.</p>	<p>No specific presentation requirements are included.</p>

**DISCLOSURE**

With performance obligations		Without performance obligations	
ED 70 proposed requirements	Current IPSAS 9 and IPSAS 11 requirements	ED 71 proposed requirements	Current IPSAS 23 requirements
<b>Disclosure objective</b>			
Sufficient information to enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from transactions in the scope of the ED.	No disclosure objective is included.	Sufficient information to enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from transactions in the scope of the ED.	No disclosure objective is included.  IPSAS 23 notes that the disclosures required assist the entity to satisfy the objectives of financial reporting to provide information useful for decision making and to demonstrate the accountability of the entity for the resources entrusted to it.
<b>Amounts of revenue and related balances recognised</b>			
The amount of revenue recognised from binding arrangements with purchasers that include performance obligations, separately from other sources of revenue, disaggregated into categories that meet the disclosure objective and to the extent necessary to meet the disclosure objective.	<p>The amount of revenue recognised during the period arising from:</p> <ul style="list-style-type: none"> <li>• the rendering of services;</li> <li>• the sale of goods;</li> <li>• interest;</li> <li>• royalties;</li> <li>• dividends or their equivalents; and</li> <li>• contract revenue.</li> </ul> <p>The amount of revenue arising from exchanges of goods or services included in each significant category of revenue.</p>	<p>The amounts of:</p> <ul style="list-style-type: none"> <li>• Revenue from transactions without performance obligations recognised during the period by major classes showing separately: <ul style="list-style-type: none"> <li>○ taxes;</li> <li>○ other compulsory contributions and levies; and</li> <li>○ transfers, presenting separately transfers with present obligations from binding arrangements.</li> </ul> </li> <li>• Receivables recognised at reporting date in respect of revenue without performance obligations.</li> <li>• Liabilities recognised at reporting date in respect of transferred assets subject to present obligations.</li> </ul>	<p>The amounts of:</p> <ul style="list-style-type: none"> <li>• Revenue from non-exchange transactions recognised during the period by major classes showing separately: <ul style="list-style-type: none"> <li>○ taxes; and</li> <li>○ transfers.</li> </ul> </li> <li>• Receivables recognised in respect of non-exchange revenue.</li> <li>• Liabilities recognised in respect of transferred assets subject to conditions.</li> <li>• Assets recognised that are subject to restrictions and the nature of those restrictions.</li> </ul>

**DISCLOSURE**

With performance obligations		Without performance obligations	
ED 70 proposed requirements	Current IPSAS 9 and IPSAS 11 requirements	ED 71 proposed requirements	Current IPSAS 23 requirements
		<ul style="list-style-type: none"> <li>Liabilities recognised at reporting date in respect of concessionary loans that are subject to requirements on transferred assets.</li> <li>Any advance receipts in respect of transactions without performance obligations.</li> <li>Any liabilities forgiven.</li> </ul>	<ul style="list-style-type: none"> <li>Any advance receipts in respect of non-exchange transactions.</li> <li>Any liabilities forgiven.</li> </ul>
Impairment losses recognised on any receivables or binding arrangement assets arising from binding arrangements with purchasers that include performance obligations, separately from other impairment losses from other binding arrangements.	No requirements related to impairment losses are included.	Impairment losses recognised on any receivables or binding arrangement assets from transfers with present obligations, separately from other impairment losses from other binding arrangements.	No requirements related to impairment losses are included.
<b>Binding arrangement balances</b>			
<ul style="list-style-type: none"> <li>Opening and closing balances of receivables, binding arrangement assets and binding arrangement liabilities.</li> <li>Revenue recognised included in the binding arrangement liability balance at the beginning of the period.</li> <li>Revenue recognised from performance obligations satisfied in previous periods.</li> <li>Explain how the timing of satisfaction of performance obligations relates to typical timing of payment and the effect on the binding arrangement asset and liability balances.</li> <li>Explanation of the significant changes in binding arrangement asset and liability balances during</li> </ul>	<p>For construction contracts, an entity should present:</p> <ul style="list-style-type: none"> <li>The gross amount due from customers for contract work as an asset; and</li> <li>The gross amount due to customers for contract work as a liability.</li> </ul> <p>An entity discloses for construction contracts in progress at the reporting date the amounts of advances received and retentions.</p>	<ul style="list-style-type: none"> <li>Opening and closing balances of receivables, binding arrangement assets and binding arrangement liabilities.</li> <li>Revenue recognised in the reporting period that was included in the binding arrangement liability balance at the beginning of the period.</li> <li>Revenue recognised in the reporting period from present obligations satisfied (or partially satisfied) in previous periods.</li> <li>Explain how the timing of satisfaction of present obligations relates to the typical timing of payment and the effect that those factors have on the binding arrangement asset and binding arrangement liability balances.</li> </ul>	No requirements related to such balances are included.

**DISCLOSURE**

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reporting period, e.g. from public sector combinations, cumulative catch-up adjustments from change in measure of progress or estimated transaction price.		<ul style="list-style-type: none"> <li>Explanation of the significant changes in the binding arrangement asset and binding arrangement liability balances from, for example, public sector combinations and cumulative catch-up adjustments to revenue that affect the binding arrangement asset and binding arrangement liability such as a change in the measure of progress or the estimate of the transaction price.</li> </ul>	
<b>Binding arrangements: performance obligations (ED 70) / present obligations (ED 71)</b>			
<p>A description of:</p> <ul style="list-style-type: none"> <li>When an entity typically satisfies its performance obligations.</li> <li>The significant payment terms, e.g. when payment is typically due, whether the binding arrangement has a significant financing component, etc.</li> <li>The nature of the goods or services promised, highlighting arranging for another party to transfer goods or services as an agent.</li> <li>Obligations for returns, refunds and other similar obligations.</li> <li>Types of warranties and related obligations.</li> </ul>	No equivalent requirements related to an entity's promised goods and services are included.	<p>A description of:</p> <ul style="list-style-type: none"> <li>When the entity typically satisfies its present obligations.</li> <li>The significant payment terms e.g. when payment is typically due and whether the arrangement has a significant financing component.</li> <li>The nature of present obligations highlighting present obligations to arrange for another party to incur present obligations (acting as an agent).</li> <li>Obligations for returns, refunds and other similar obligations.</li> </ul>	No equivalent requirements related to an entity's present obligations are included.

**DISCLOSURE**

With performance obligations		Without performance obligations	
ED 70 proposed requirements	Current IPSAS 9 and IPSAS 11 requirements	ED 71 proposed requirements	Current IPSAS 23 requirements
<b>Binding arrangements: transaction price allocated to the remaining performance obligations (ED 70) / present obligations (ED 71)</b>			
<ul style="list-style-type: none"> <li>The aggregate amount of the transaction price allocated to the performance obligations unsatisfied, or partially satisfied, at the end of the reporting period.</li> <li>An explanation of when the entity expects to recognise as revenue the remaining transaction price.</li> </ul> <p>The information need not be disclosed if the binding arrangement has an original expected duration period of one year or less, or the entity has a right to consideration for the entity's performance completed to date (e.g. a fixed amount per hour of service is billed).</p>	<p>An entity should disclose for construction contracts in progress at the reporting date the aggregate amount of costs incurred and recognised surpluses (less recognised deficits) to date.</p>	<ul style="list-style-type: none"> <li>The aggregate amount of the transaction price allocated to the present obligations unsatisfied, or partially satisfied, at the end of the reporting period.</li> <li>An explanation of when the entity expects to recognise as revenue the remaining transaction price.</li> </ul> <p>The information need not be disclosed if the binding arrangement has an original expected duration period of one year or less.</p>	<p>No equivalent requirements related to an entity's present obligations are included.</p>
<b>Compelled transactions</b>			
<ul style="list-style-type: none"> <li>A description of the legislation or policy decision which compels the entity to satisfy the performance obligation.</li> <li>The amount of revenue from these transactions that was recognised when consideration was received and certain requirements in the ED have been met.</li> <li>The amount from these transactions that was not recognised as revenue, as the collection of consideration was not probable.</li> <li>If the transaction price has been reduced after consideration of an implicit price concession, the</li> </ul>	<p>No requirements related to compelled transactions are included.</p>	<ul style="list-style-type: none"> <li>A description of the legislation or policy decision which compels the other party to satisfy the present obligation.</li> <li>The amount of revenue from these transactions that was recognised when consideration was received and certain requirements in the ED have been met, or the amount of revenue recognised after consideration of an implicit negotiated concession.</li> <li>The amount from these transactions that was not recognised as revenue, as the collection of</li> </ul>	<p>No requirements related to compelled transactions are included.</p>

**DISCLOSURE**

**With performance obligations**

**Without performance obligations**

**ED 70 proposed requirements**

**Current IPSAS 9 and IPSAS 11 requirements**

**ED 71 proposed requirements**

**Current IPSAS 23 requirements**

amount that was recognised after identification of the implicit price concession and the amount that was not recognised as it was considered an implicit price concession.

consideration was not probable, or as the amount from these transactions that was not recognised as revenue, as it was considered to be an implicit negotiated concession.

**Significant judgements / Accounting policies**

The judgements, and changes in judgements, made in applying the requirements that affect the determination of the amount and timing of revenue. Particularly, information about the following judgements are disclosed:

- Determining the timing of satisfaction of performance obligations for performance obligations:
  - Satisfied over time: the methods used to recognise revenue, and an explanation of why the methods used provide a faithful depiction of the transfer of goods and services.
  - Satisfied at a point in time: the significant judgements made in evaluating when a purchaser obtains control of promised goods and services.
- Determining the transaction price and the amounts allocated to performance obligations, the methods, inputs and assumptions used for:
  - Determining the transaction price.

The accounting policies adopted for the recognition of revenue, including the methods adopted to determine:

- the stage of completion of transactions involving the rendering of services;
- the contract revenue recognised in the period; and
- the stage of completion of contracts in progress.

The judgements, and changes in judgements, made in applying the requirements that affect the determination of the amount and timing of revenue. Particularly, information about the following judgements are disclosed:

- Determining the timing of satisfaction of present obligations for present obligations:
  - Satisfied over time: the methods used to recognise revenue, and an explanation of why the methods used provide a faithful depiction of the transfer of goods and services.
  - Satisfied at a point in time: the significant judgements made in evaluating when a present obligation is satisfied.
- Determining the transaction price and the amounts allocated to present obligations, the methods, inputs and assumptions used for:
  - Determining the transaction price.
  - Assessing whether an estimate of variable consideration is constrained.
  - Allocating the transaction price.

Disclose in the notes:

- The accounting policies adopted for the recognition of revenue from non-exchange transactions.
- For major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources was measured.
- For major classes of taxation revenue which the entity cannot measure reliably during the period in which the taxable event occurs, information about the nature of the tax.
- The nature and type of major classes of bequests, gifts, donations showing separately major classes of goods in-kind received.

**DISCLOSURE**

With performance obligations		Without performance obligations	
ED 70 proposed requirements	Current IPSAS 9 and IPSAS 11 requirements	ED 71 proposed requirements	Current IPSAS 23 requirements
<ul style="list-style-type: none"> <li>○ Assessing whether an estimate of variable consideration is constrained.</li> <li>○ Allocating the transaction price.</li> <li>○ Measuring obligations for returns, refunds and other similar obligations.</li> </ul>		<p>Measuring obligations for returns, refunds and other similar obligations.</p> <p>Disclose in the notes:</p> <ul style="list-style-type: none"> <li>• The accounting policies adopted for the recognition of revenue from transactions without performance obligations.</li> <li>• For major classes of revenue from transactions without performance obligations, the basis on which the transaction price of the inflow of resources was measured.</li> <li>• For major classes of taxation revenue and revenue from other compulsory contributions and levies that the transfer recipient cannot measure reliably during the period in which the taxable event or equivalent event for other compulsory contributions and levies occurs, information about the nature of the tax, or other compulsory contribution or levy.</li> <li>• The nature and type of major classes of bequests, gifts, and donations, showing separately major classes of goods in-kind received.</li> </ul>	
<b>Services in-kind</b>			
N/A	N/A	<p>Disclose qualitative and quantitative information about services in-kind that have been recognised.</p> <p>Entities that do not recognise services in-kind on the face of the financial statements are strongly</p>	<p>No disclosure requirements for services in-kind.</p> <p>Entities are encouraged to disclose the nature and type of major classes of</p>

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		<p>encouraged to disclose qualitative information about the nature and type of major classes of services in-kind received, particularly if those services in-kind received are integral to the operations of the transfer recipient.</p> <p>The extent to which a transfer recipient is dependent on a class of services in-kind will determine the disclosures it makes in respect of that class.</p>	<p>services in-kind received, including those not recognised.</p> <p>The extent to which an entity is dependent on a class of services in-kind will determine the disclosures it makes in respect of that class.</p>
<b>Assets recognised from the costs to obtain or fulfil a binding arrangement</b>			
<ul style="list-style-type: none"> <li>Describe the judgements made to determine the amount of the costs incurred, and method used to determine the amortisation for each reporting period.</li> <li>The closing balances of assets recognised by main category and the amount of amortisation and any impairment losses recognised.</li> </ul>	No requirements related to assets from costs to obtain or fulfil agreements are included.	No requirements related to assets from costs to obtain or fulfil agreements are included.	No requirements related to assets from costs to obtain or fulfil agreements are included.
<b>Practical expedients</b>			
Disclose practical expedients used, being the existence of a significant financing component and the incremental costs of obtaining a binding arrangement.	No requirements related to practical expedients are included.	No requirements related to practical expedients are included.	No requirements related to practical expedients are included.