

## PROJECT HISTORY

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The original project brief for revenue had not considered this to be an IFRS convergence project. The IPSASB discussed whether they should apply the *Process for Reviewing and Modifying IASB Documents* (also known as Rules of the Road) for IPSAS 9, *Revenue from Exchange Transactions* and IPSAS 11, *Construction Contracts*. IPSAS 9 and IPSAS 11 was based on IAS 18 *Revenue* and IAS 11 *Construction Contracts* respectively. However, IAS 18 and IAS 11 have been superseded by IFRS 15. The IPSASB has subsequently realised it was important that the converged standards with IFRS are kept up to date in particular because of the linkages with the other IFRS convergence projects such as leases and financial instruments. The IPSASB agreed the revenue section of the Consultation Paper should focus on:

1. Updating IPSAS 9, *Revenue from Exchange Transactions* and IPSAS 11, *Construction Contracts* to converge with IFRS 15 *Revenue from Contracts with Customers*; and
2. Whether extending the performance obligation approach in IFRS 15 could solve some of the issues in IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)*.

The IPSASB agreed to request comments from constituents on the second point.

The IPSASB thought the tone and language in the draft chapter was too detailed and was more appropriate for the Exposure Draft. The Consultation Paper should be more neutral and high level in the discussions rather than providing solutions.

The IPSASB noted there was some concern that the categories (A, B and C) have been hard wired into the discussion. The Consultation Paper should make it clear the categories are designed for grouping ideas and discussions.

The IPSASB noted the comments from the CAG on revenue.

### *IPSAS 23 Direction for September Meeting*

The IPSASB agreed all the implementation issues with IPSAS 23 as noted in the issues paper should be included in the Consultation Paper. One of this issue is services in kind. The IPSASB noted there are practical issues and this is to be analysed against the Conceptual Framework in particular user needs and the qualitative characteristics.

The IPSASB discussed tax expenditure and agreed it was an important and complex topic. The IPSASB agreed that this topic is beyond the scope of the non-exchange expenses project but will be noted as a potential project in the next work plan consultation.

The IPSASB noted presentation options for disclosing how revenue inflows relate to specific periods could be applied to the all the implementation issues noted in the issues paper. Any presentation options presented in the Consultation Paper will need to be consistent with the Conceptual Framework. The "other comprehensive income" option should not be considered because the IPSASB had considered this and subsequently rejected during the development of the Conceptual Framework.

### *Statutory Receivables*

The IPSASB noted the public interest deficit is the gap in the IPSASs literature on statutory receivables. The IPSASB agreed with the problems identified in the issues paper and this will be presented in the Consultation Paper. The Consultation Paper will request from constituents if they are aware of any other issues.

The IPSASB agreed the transaction value (followed by a day 1 impairment) and market value for initial recognition of statutory receivables should be explored in the Consultation Paper.

The IPSASB agreed with the proposed structure of statutory receivables outlined in the issues paper. The Consultation Paper will list the issues rather than go into details. The objectives of resolving these issues are to provide information to users for accountability and decision making.