

PROJECT HISTORY

Contact: Joanna Spencer (joannaspencr@ipsasb.org)

The IPSASB considered a revised draft of the Consultation Paper. *Accounting for Revenue and Non-Exchange Expenses*. The IPSASB tentatively approved the first three chapters dealing with the drivers for the project, the current IPSASB and IASB literature on revenue recognition and providing a categorization of transactions according to whether they contain performance obligations and whether those performance obligations are within the scope and definition of a performance obligation in IFRS 15. The categorization allow further consideration of the extent to which the IFRS 15 performance obligation approach can be 'stretched' to address public sector transactions with performance obligations.

The IPSASB decided to adopt the term 'distinct performance obligation' rather than 'identifiable and specific performance obligation' in the context of the Public Sector Performance Obligation Approach (PSPOA).

The IPSASB instructed that under the PSPOA the approach to remedial action available to resource providers in the event of non-fulfillment of a performance obligation should be broad and flexible and should not be limited to refunds of resources. Such an approach might increase the circumstances in which resource recipients might defer revenue recognition until future reporting periods.