

## PROJECT HISTORY

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The IPSASB agreed reference to Category A, B and C revenue transactions should be used in the CP. The categories are useful to describe the accounting for different types of revenue transactions with similar characteristics. The categories will be used to describe ideas rather than as specific scope definitions. To assist constituents, examples will be provided of transactions which fall within these broad categories. The current working description of the categories are:

- Category A: Revenue transactions that would fall within the scope of an IPSAS based on IFRS 15 *Revenue from Contracts with Customers*.
- Category B: Revenue transactions which have some form of performance obligation, but which do not contain all the key characteristics of a transaction within the scope of IFRS 15.
- Category C: Revenue transactions with no performance obligations.

The CP will explore alternatives for accounting for Category B revenue transactions. One option is an IFRS 15 performance obligation approach, modified for the public sector. This would give the IPSASB the freedom to modify the performance obligation approach in IFRS 15 for the public sector characteristics of such transactions.

The IPSASB discussed the accounting for capital grants and noted a wide divergence in practice amongst international and national standard setters. The CP will include discussion on the appropriate accounting for capital grants with due consideration given to the IPSASB Conceptual Framework.

The IPSASB noted the term “customer” does not work in the public sector because, in the case of transactions involving three parties, the funder and recipient do not always both directly benefit from the transaction. The IPSASB requested staff to explore the use of an alternative term or terms.