AGENDA ITEM 8

REVENUE

Eileen Zhou, Principal

IPSASB Meeting – March 2023
DANKE!
THANK YOU!
MERCI!
GRAZIE!
GRACIAS!
DANK JE WEL!

............
**Agenda Item 8.2.1 (Pages 9-13)**

**Approval of IPSAS 47, Revenue**

### IPSASB Due Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td><strong>Staff</strong> present revised content of exposed Standard</td>
<td>See Agenda Item 8.3.1</td>
</tr>
<tr>
<td>B</td>
<td><strong>Program &amp; Technical Director</strong> advises whether Due Process followed effectively</td>
<td>PTD assertion</td>
</tr>
<tr>
<td>C</td>
<td><strong>IPSASB</strong> confirms whether it is satisfied that Due Process has been followed effectively</td>
<td>Chair asks for confirmation</td>
</tr>
<tr>
<td>D</td>
<td><strong>IPSASB</strong> votes on approval of IPSAS 47, <em>Revenue</em></td>
<td>Staff recommend approval</td>
</tr>
<tr>
<td>E</td>
<td><strong>IPSASB</strong> considers whether vote on re-exposure is necessary</td>
<td>See Agenda Item 8.2.2</td>
</tr>
</tbody>
</table>

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**IPSASB Due Process**

- **Staff** present revised content of exposed Standard
- **Program & Technical Director** advises whether Due Process followed effectively
- **IPSASB** confirms whether it is satisfied that Due Process has been followed effectively
- **IPSASB** votes on approval of IPSAS 47, *Revenue*
- **IPSASB** considers whether vote on re-exposure is necessary
Considering the Need for Re-Exposure

Due Process – Considering Re-exposure

a) Determine whether a vote on re-exposure is necessary*
   • Consider whether there been substantial change
   • Consider wholistically, including benefits and costs

b) If the IPSASB concludes a vote is necessary, then IPSASB members will vote on re-exposure
   • Re-exposure requires 2/3 of IPSASB members to vote in favor
   • Basis for re-exposure is recorded in the minutes

* Due process does not require re-exposure, only consideration of whether it’s necessary.
# Agenda Item 8.2.2 (Pages 14-21)

**Considering the Need for Re-Exposure**

## Key Differences

<table>
<thead>
<tr>
<th>Number of Proposed Standards</th>
<th>Exposure Drafts</th>
<th>IPSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two</td>
<td>ED 70</td>
<td>One</td>
</tr>
<tr>
<td>ED 71</td>
<td>IPSAS 47</td>
<td></td>
</tr>
</tbody>
</table>

### Distinction between Accounting Models & Term for a Unit of Account in Revenue Accounting

- **With Performance Obligation?**
  - **ED 70**
  - **Yes**
    - Model
  - **No**
    - Model
- **ED 71**
  - **Yes**
    - Model
  - **No**
    - Model

### Existence of Performance Obligation or Present Obligation

- **With Present Obligation that isn’t a Performance Obligation?**
  - **No**
    - Model
  - **Yes**
    - Model

- **With Binding Arrangement?**
  - **No**
    - Model
  - **Yes**
    - Model

*Model has at least one Compliance Obligation*
Considering the Need for Re-Exposure

**Agenda Item 8.2.2 (Pages 14-21)**

Potential benefits are limited
...as it is unlikely to yield new insights or information

Expected costs may be significant
...from public interest perspective and for the IPSASB
Considering the Need for Re-Exposure

Recommendation

- On balance, staff do not recommend re-exposure because:
  a) There are no substantial changes which necessitate re-exposure; rather, all changes reflect a principled approach and addressed feedback from constituents; and
  b) From a public interest perspective, the expected costs of re-exposure outweigh the potential benefits.

Does the IPSASB disagree with this recommendation?
Agenda Item 8.2.1 (Pages 9-13)

Approval of IPSAS 47, Revenue (cont’d)

IPSASB Due Process

A. Staff present revised content of exposed Standard

B. Program & Technical Director advises whether Due Process followed effectively

C. IPSASB confirms whether it is satisfied that Due Process has been followed effectively

D. IPSASB votes on approval of IPSAS 47, Revenue

E. IPSASB considers whether vote on re-exposure is necessary

F. IPSASB sets effective date for IPSAS 47

G. IPSASB issues Basis for Conclusions