INTERNATIONAL FINANCIAL REPORTING
FOR NON PROFIT ORGANISATIONS

Technical Advisory Group Issue Paper

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Revenue

Summary	This paper considers the relative benefits of including the INPAG requirements for revenue in either a single section or through two sections; one for exchange revenue and one for non-exchange revenue. It concludes that the guidance should be provided in a single section.
Purpose/Objective of the paper	To seek the TAG's views on how the revenue requirements should be developed to enable the objectives of the guidance to be met.
Other supporting items	None
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Actions for this meeting	Comment and advise on: the structure of the revenue guidance in INPAG, including: (i) whether the TAG agrees with the recommendation that all revenue requirements should be included in a single revenue section rather than in separate sections for revenue from customers and revenue from grants and donations. (ii) The merits of separating goods and services in-kind from other types of revenue.

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Revenue

1. Introduction

1.1 At the TAG's September 2022 meeting, the Secretariat provided an update on the developments planned for both the *IFRS for SMEs* Accounting Standard and the IPSAS revenue standards.

1.2 The Secretariat also presented the feedback on the non-exchange revenue topic in the Consultation Paper. Respondents were generally supportive of an approach that recognized revenue as performance conditions were met, with more respondents favouring the use of IPSAS as the basis for the INPAG guidance than the *IFRS for SMEs* Accounting Standard.

1.3 The combination of the developments to the international standards and support for basing the INPAG requirements for non-exchange revenue on IPSAS raised a question about the structure of the INPAG Guidance. This is because of the approaches currently being taken to the structure of content in the *IFRS for SMEs* Accounting Standard and IPSAS differ.

1.4 The *IFRS for SMEs* Accounting Standard has two sections that address revenue; Section 23, covering revenue from customers, and Section 24, covering government grants. The IASB proposals in the recent Exposure Draft significantly rewrite Section 23 to be consistent with the principles in IFRS 15, *Revenue from Contracts with Customers* but maintains the two separate sections.

1.5 The IPSASB undertook a detailed review of its latest draft IPSAS on revenue at its December 2022 meeting. The text is expected to be approved in March 2023. The draft IPSAS covers exchange and non-exchange transactions in a single standard that will replace the three existing IPSAS.

1.6 At its September 2022 meeting, the TAG discussed the relative benefits of including the requirements in either a single section of INPAG, or separate sections covering revenue from customers and revenue from grants and donations.

1.7 The TAG did not reach any consensus at its September 2022 meeting, and asked the Secretariat to undertake a more detailed analysis of the two options. This paper sets out the analysis, and concludes that the INPAG Guidance on revenue should be included in a single section.

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2. Options being considered

2.1 Following the discussions at the September 2022 TAG meeting, two options have been considered:

- **Single INPAG section for revenue**. This section would be based on the final (or near-final) version of the draft revenue IPSAS, adjusted as required to suit the NPO context. If this option is adopted, the IPSAS text would be simplified to make it appropriate for incorporation into INPAG.
- **Separate INPAG sections for revenue from customers and revenue from grants and donations.** The proposed new Section 23, *Revenue from contracts with customers*, in the *IFRS for SMEs* Accounting Standard would be retained, with only terminology changes being made. This is because no NPO-specific issues were identified in respect of exchange revenue and exchange revenue was not discussed in detail in the Consultation Paper. If this adoption is adopted a new section for non-exchange revenue would be developed..

2.2 Whichever option is adopted, some practical exceptions to the recognition and measurement principles, which might be appropriate in some circumstances would need to be considered, and covered by the guidance.

2.3 In agreeing to consider these two options, the TAG asked the Secretariat to compare the requirements of the proposed new Section 23 of the *IFRS for SMEs* Accounting Standard and the draft text of the new revenue IPSAS. The analysis is required to assess whether the source of the INPAG Guidance (which would be based on either the draft IPSAS for a single section or the *IFRS for SMEs* Accounting Standard for two sections) would result in different accounting for revenue from customers.

2.4 At their December 2022 meeting, the PAG were asked for their views on which structure would be most appropriate for NPOs. The most significant comments are as follows:

- There was a preference (but not universal) for INPAG to cover all types of revenue a single section, rather than split between separate sections for revenue from customers (exchange revenue) and revenue from grants and donations (non-exchange revenue) The PAG noted that the terms 'exchange' and 'non-exchange' are not well known in the NPO sector.
- Separate sections for cash transfers and in-kind revenue could be more helpful than separate sections on revenue from customers and revenue from grants and donations due to the specific and complex measurement issues. However, there was a contrary view that a single section would be preferable, for instances where cash and in-kind elements are part of the same transaction.
- A distinction between 'self-generated revenue' (or equivalent term) and 'grants and donations' would feel more aligned to the way the sector thinks about and

talks about revenue. Self-generated revenue may have tax implications, whereas grants and donations generally do not.

- The distinction between a restriction and a condition is not apparent in the definition of a compliance obligation and this will need to be clarified in the guidance on revenue from grants and donations.

3. Analysis of accounting principles

Revenue from customers

3.1 Section 23 of the *IFRS for SMEs* Accounting Standard covers revenue from customers. Such revenue always arises from a form of contract.

3.2 The recent Exposure Draft has adopted the five step approach from IFRS 15, *Revenue from Contracts with Customers*. The five steps are:

- Step 1 – Identify the contract(s) with a customer
- Step 2 – Identify the promises in the contract
- Step 3 – Determine the transaction price
- Step 4 – Allocate the transaction price to the promises in the contract
- Step 5 – Recognise revenue when (or as) the entity satisfies a promise

3.3 The text in the *IFRS for SMEs* Accounting Standard Exposure Draft follows these five steps. This differs from IFRS 15, where all aspects of recognition are addressed before aspects of measurement.

3.4 The draft IPSAS on revenue has a wider scope than Section 23 (or IFRS 15) as it also addresses transactions without a binding arrangement (i.e., without a contract). This would cover, for example some grants and donations. The existence of a binding arrangement is key to recognition. A binding arrangement is defined as:

'an arrangement that confers both rights and obligations, enforceable through legal or equivalent means, on the parties to the arrangement'

3.5 Where a binding arrangement exists, the draft IPSAS adopts a similar five step approach, albeit one that has been expanded to incorporate grants and donations. Annex A provides a more detailed analysis. A high level comparison of the two approaches is as follows:

- *Identify whether a Binding Arrangement Exists*. In the draft IPSAS, this first step allows for transactions that do not have a binding arrangement, and which would not be covered by Section 23 of the *IFRS for SMEs* Accounting Standard. If they were government grants, these transactions would be covered by Section 24 of the *IFRS for SMEs* Accounting Standard (which could be expanded to cover other grants and donations).

- *Identifying Compliance Obligations in a Binding Arrangement*. Compliance obligations are similar to the promises described in Section 23, but have a wider scope. The promises in Section 23 are limited to delivering specific goods or services to the purchaser (or third party), whereas compliance obligations also include promises to use resources internally. Promises to use resources internally are relevant to grants or donations with performance conditions. Under the *IFRS for SMEs* Accounting Standard, these promises would be covered by Section 24 if they were government grants.

- *Determining the Transaction Consideration*. The approach is consistent with the requirements to determine the transaction price in Section 23, but also covers grants and donations with performance conditions. Some of the guidance for transactions that are not common in the public sector (for example, sales-based or usage-based royalties, sales with a right of return) are included in Application Guidance in the draft IPSAS rather than in the core text as in Section 23; this approach may also be helpful for NPOs.

- *Allocating the Transaction Consideration to Compliance Obligations*. The approach is consistent with the equivalent step in Section 23, but is again extended to cover grants and donations by referring to the stand-alone value rather than the stand-alone price. The stand-alone value includes goods or services that are used internally, consistent with the definition of a compliance obligation.

- *Recognition of Revenue Transactions with a Binding Arrangement*. Revenue is recognized as compliance obligations are satisfied, which may be at a point in time or over time. This is consistent with the equivalent step in Section 23, but is extended to cover grants and donations with performance conditions.

3.6 For the transactions that NPOs are likely to encounter for revenue from customers, the accounting under the *IFRS for SMEs* Accounting Standard Exposure Draft and the draft IPSAS would appear to be the same. The Secretariat has not identified any cases where the accounting would be different. However, as the standards have different wording, different outcomes in complex cases (due to the possibility of the texts being interpreted differently) cannot be ruled out without additional work.

Grants and Donations

3.7 Section 24 of the *IFRS for SMEs* Accounting Standard covers government grants. The section provides only the high level principles for the recognition and measurement of grants and donations with performance conditions:

"a grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met; and

grants received before the revenue recognition criteria are satisfied are recognised as a liability."

3.8 Grants that do not impose specified future performance conditions on the recipient will be accounted for as revenue transactions without binding arrangements under the draft IPSAS. Revenue would be recognised when amounts are received or receivable. Applying the requirements for revenue transactions with binding arrangements for grants and donations in the draft IPSAS would also be consistent with the requirements of the *IFRS for SMEs* Accounting Standard.

3.9 However, whilst the principles are established a significant amount of new material would need to be developed to expand the text beyond government grants. Given that grants and donations can have performance conditions, following the five step model to provide consistency to the application of the underlying the principles will likely result in a significant about of duplication.

3.10 As noted above, respondents to the Consultation Paper supported exceptions, based on national standards, for some goods in-kind and services in-kind. The draft IPSAS includes additional guidance on services in-kind, but specific guidance on the recognition and measurement issues of goods in-kind and services in-kind will need to be developed for INPAG.

Conclusion

3.11 The Secretariat's view is that the accounting under Sections 23 and 24 of the *IFRS for SMEs* Accounting Standard Exposure Draft and the draft IPSAS are generally consistent (See Annex A for detailed analysis). Whether INPAG has two sections for revenue, similar to the *IFRS for SMEs* Accounting Standard Exposure Draft, or one section, based on the draft IPSAS, will not affect the accounting outcomes.

3.12 IPSAS provides more detailed requirements in respect of grants and donations with work done to consider how to apply the accounting principles to these types of transactions. Basing INPAG on IPSAS which has a single section approach may be helpful.

Question 1:	Do TAG members agree with the analysis of the accounting issues?

4. Structure of INPAG

4.1 As well as the impact on the accounting outcomes usability is a key consideration. The question of usability of revenue sections within INPAG was recently discussed with the PAG. Paragraph 2.4 summarises their views. There was support for a single section from a majority of members, but others felt that two sections, particularly separating out grants and donations and/or goods and services in-kind could be beneficial as that was more recognisable for NPO.

4.2 The final point in the table below on judgement has been raised a number of times. It came through responses to the Consultation Paper as well as feedback from the PAG. These responses raised concern about the practicality of separating exchange and non-exchange revenue (or revenue between that which is from a customer and that which is a grant or donation). Having to make a decision about this before determining which section to apply, might introduce new burdens particularly if the outcome might be similar. A single approach is likely to be more useful for NPOs that have revenue from a range of sources.

4.3 Taking account of the feedback from the PAG, the advantages of the two options are summarised as follows;

	Single section covering all revenue	**Separate sections for revenue from customers and revenue from grants and donations**
Accessibility	A single section would avoid duplication (for example, material on a transaction that has a binding arrangement and performance conditions would not need to be repeated) and reduce the need for cross-references, which might otherwise be hard to follow.	Separate sections may be easier to apply for NPOs that only receive grants and donations.
Length	A single section is expected to be shorter than two sections, which will assist NPOs.	Each of the two sections is likely to be, individually, shorter than a single section, which may make them easier to use.
Simplicity	Development of a single section would allow for some simplification of Section 23 (as some of the more complex requirements may be less relevant to NPOs) without deviating from the principles in the *IFRS for SMEs* Accounting Standard.	Separate sections will maintain the link with the *IFRS for SMEs* Accounting Standard as the basis of INPAG, and (assuming only terminology changes are made to Section 23) will avoid work on a topic (exchange revenue) on which no NPO-specific issues were identified.

	Single section covering all revenue	**Separate sections for revenue from customers and revenue from grants and donations**
Judgement	NPOs will not need to determine whether a transaction is revenue from a customer or a grant or donation. However, this distinction may be required for disclosure purposes (for example, where it is relevant for tax purposes).	

4.4 Taking account of the analysis of the accounting outcomes and the usability of INPAG, the Secretariat recommend that a single section for revenue. It is expected that a single section will result in the most usable guidance for NPOs.

Question 2:	Do TAG members support the recommendation that a single section for revenue be adopted (including goods in-kind and services in-kind) in INPAG? Are there any additional considerations for goods in-kind and services in-kind?

Notices

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Annex A

Comparison of conceptual basis of recognition and measurement requirements in the *IFRS FOR SMEs* Accounting Standard: SECTION 23 *Revenue from contracts with customers and draft* IPSAS Revenue Standard

IFRS for SMEs title or paragraph heading	Content	IPSAS title of paragraph heading	Content	Conceptual differences between IFRS for SMEs and IPSAS and other notes
		Objective	Notes that objective of the Standard is to establish principles that an entity shall apply to report useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from revenue transactions.	IFRS for SMEs Section does not have an objective paragraph.
Scope	Notes that the section doesn't apply to lease agreements, insurance contracts, financial instruments and non-monetary exchanges between entities in same line of business to facilitate sales to customers or potential customers. Notes that where a contract with a customer is partially within the scope of this section and partially within the scope of sections noted above, then if other sections specifies how to separate or initially measure any parts of the contract that entity must first apply those requirements	**Scope**	Notes that Standard doesn't apply to contributions to social benefit schemes, public sector combinations, contributions from owners, lease contracts, insurance contracts, financial instruments, rights or obligations within scope of provisions, service concession arrangements, separate and consolidated financial statements, investments in associates and joint ventures, joint arrangements, employee benefits, non-monetary exchanges between entities in the same line of business to facilitate sales to resource providers or potential resource providers, gains from sale of non-financial assets, changes in value of current and non-current assets from subsequent	IPSAS Standard has broader exclusions. IFRS for SMEs Section explicitly notes what happens where a contract is partially in scope of another Section.

			measurements, biological assets, extraction of mineral resources.	
		Definitions	Provides definitions of terms used in the Standard and Transfer Expenses Standard	IFRS for SMEs Section definitions are not included in the core text of the Section, but are in a single Glossary.
		Revenue	Provides definition of revenue from conceptual framework. Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners. Explains amounts collected as an agent are not revenue. Notes revenue is gross inflow and any transfer of resources is recognised as cost of transaction.	IPSAS Standard ties revenue back to the conceptual framework and introduces brief discussion of principal agent considerations
		Taxes	Not relevant for NPOs	N/A
Revenue recognition model	Provides description of revenue recognition model. Objective of model is for entity to recognise revenue to depict transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitles in exchange for those goods or services. Steps are: 1. Identify contract with a customer	**Identify the revenue transaction**	Notes that revenues may arise from transactions without binding arrangement or with binding arrangements.	IFRS for SMEs Section introduces 5 step recognition model based on contract with a customer. IPSAS Standard by contrast introduces distinction between binding arrangements and non-binding arrangements first as each has a different revenue recognition model. It

	2. Identify the promises in the contract 3. Determine the transaction price 4. Allocate the transaction price to the promises in the contract 5. Recognise revenue when or as the entity satisfies a promise.			uses the 5 step model for binding arrangements.
		Identify whether a binding arrangement exists	Notes that for an arrangement to be binding, it must be enforceable through legal or equivalent means, that the entity should consider substance over form, that a binding arrangement includes both rights and obligations that are enforceable for two or more parties, with the rights and obligations interdependent and inseparable, and that a binding arrangement can be written, oral or implied by an entity's customary practice	IPSAS Standard explains what a binding arrangement is.
		Revenue from transactions without binding arrangements		IFRS for SMEs Section 23 accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract. See also Section 24, Government Grants (comment applies to all of the revenue without binding arrangements section).
		Recognition	Revenue transaction without a binding arrangement may confer a right or an obligation. Entity determines if any of its rights in the revenue transaction meets the	IFRS for SMEs Section accounting is driven by contract with a customer so does not

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			definition of an asset and any of its obligations in the revenue transaction meet the definition of a liability.	provide guidance for revenue where there is no contract
		Analysis of initial inflow of resources	If entity receives an initial inflow of resources from a revenue transaction without a binding arrangement it recognises an asset if it presently controls the resources received as a result of past events and value of asset can be measured reliably.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Right to an inflow of resources	When entity has not received an inflow of resources from a revenue transaction without a binding arrangement it considers whether it has a right to receive an inflow of resources that meets the definition of an asset and is to be recognised as an asset. Bases determination on facts and circumstances, ability to enforce the right through legal or equivalent means, similar experience and expectations of ability and intention to pay. Announcement of intention to transfer not itself sufficient to identify resources as controlled by an entity.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Contingent assets	Items that fails to satisfy recognition criteria may warrant disclosure as a contingent asset.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Subsequent consideration of	Entity shall continue to assess transaction and any received inflow of resources to	IFRS for SMEs Section accounting is driven by contract

		asset recognition criteria	determine whether asst recognition criteria are subsequently met.	with a customer so does not provide guidance for revenue where there is no contract
		Existence and recognition of a liability	Obligation meets definition of a liability when it is a present obligation of the entity to transfer resources as a result of past events. Necessary that entity cannot avoid a transfer and that the transfer is probable.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Recognition of revenue transactions without binding arrangements	If entity recognises an inflow or a right to an inflow as an asset for a revenue transaction without a binding arrangement it recognises revenue based on the nature of the revenue transaction. Recognises revenue (i) when or as the entity satisfies any obligations associated with inflow of resources that met the definition of a liability; or (ii) immediately if entity does not have an enforceable obligation associated with the inflow of resources.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Measurement		
		Measurement of assets from an inflow of resources	Measure at transactions consideration at date that the criteria for asset recognition are satisfied. After recognition measure a receivable asset as a financial asset, and all other assets according to relevant IPSAS.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Measurement of revenue transactions	Revenue measured at amount of increase in net assets (e.g., consideration received or receivable) recognised by the entity.	IFRS for SMEs Section accounting is driven by contract with a customer so does not

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		without binding arrangements		provide guidance for revenue where there is no contract
		Measurement of liabilities	Amount recognised as a liability shall be best estimate, taking into account risks and uncertainties and if necessary the time value of money, of the amount required to settle the obligation at the reporting date. On initial recognition liability limited to value of associated asset recognised.	IFRS for SMEs Section accounting is driven by contract with a customer so does not provide guidance for revenue where there is no contract
		Taxes	*Not relevant for NPOs so analysis excluded*	*N/A*
Identify the contract with a customer	Defines the criteria that need to be met for a contract to be in scope. (a) Parties have approved contract and are committed to perform respective obligations (b) Entity can identify each party's rights regarding goods or services to be transferred (c) Entity can identify payment terms for goods or services to be transferred (d) Contract has commercial substance (e) Probable that entity will collect consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer If contract does not meet criteria, entity will initially recognise any consideration received	**Accounting for the binding arrangement**	Defines the criteria that need to be met for a binding arrangement to be accounted for using the binding arrangement model. (a) Parties have approved binding arrangement (in writing, orally or in accordance with other customary practice) and are committed to perform respective obligations (b) Entity can identify each party's rights under the binding arrangement (c) Entity can identify payment terms for satisfaction of each identified compliance obligation (d) Binding arrangement has economic substance (e) Probable that entity will collect consideration to which it will be entitled for satisfying performance obligations in accordance with terms of binding arrangement.	Similar conceptual basis for criteria that need to be met for the contract to be in scope for IFRS for SMEs and for the binding arrangement model to apply for IPSAS Standard.

	from the customer as a liability until criteria are met.		If binding arrangement doesn't meet criteria entity only recognises consideration received as revenue when either (a) entity fully satisfies compliance obligation to which consideration that has been received relates to and consideration is non-refundable; or (b) Binding arrangement has been terminated and consideration is non-refundable.	
Combination of contracts	Combine contracts entered into at near to or same time with same customer if one or more of following met: (a) Contracts negotiated as package with single commercial objective (b) Consideration to be paid in one contract depends on price or performance of another (c) Goods or services promised in the contracts are a single promise	Combination of binding arrangements	Combine binding arrangements entered into at near to or same time if one or more of following met: (a) Binding arrangements negotiated as package with a single objective (b) Consideration to be paid in one binding arrangement depends on consideration or performance of another (c) Promised in binding arrangements are a single compliance obligation	Similar conceptual basis for combining contracts and binding arrangements.
Contract modifications	Account for contract modifications as follows: (a) if the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification, an entity shall account for the contract modification as if it were a termination of the existing contract and the creation of a new contract.	Modifications to a binding arrangement	Account for modification as separate binding arrangement if both of following met: (a) Scope increases because of addition of distinct promises; and (b) Consideration increased by amount that reflect stand-alone values of additional promises and any appropriate adjustment to that value.	Similar conceptual basis for modifications to a contract and modifications to a binding arrangement

	(b) if the remaining goods or services are not distinct from the goods or services transferred on or before the date of the contract modification, an entity shall account for the contract modification as if it were part of the existing contract adjusting revenue at the date of the contract modification if necessary. Or instead of terminating existing contact could account for modification as a separate contract if: (a) the modification increases the scope of the existing contract because of additional goods or services promised that are distinct from those in the existing contract; and (b) the modification increases the price of the existing contract by an amount of consideration that reflects the entity's stand-alone selling price of the additional goods or services and any appropriate adjustments to that price to reflect the circumstances of that contract.		If not accounted for as a separate binding arrangement account either as: (c) termination of the existing binding arrangement and the creation of a new binding arrangement, if the remaining promises are distinct from the promises satisfied on or before the date of the modification to a binding arrangement. (d) As part of the existing binding arrangement if the remaining promises are not distinct and, therefore, form part of a single compliance obligation that is partially satisfied at the date of the modification to a binding arrangement, with adjustment to revenue at date of modification if necessary.	
		Duration of a binding arrangement	Apply Standard to duration of binding arrangement in which the parties to the binding arrangement have present enforceable rights and obligations.	This is not explicitly covered in IFRS for SMEs.
Identify the promises in the contract	At contract inception, an entity shall assess the goods and services promised in a contract with a customer and shall identify	**Identifying compliance obligations in a**	At the inception of the binding arrangement, an entity shall assess the goods or services promised in a binding arrangement with a	Similar conceptual basis for identifying promises in a contract and identifying

	each promise to transfer a distinct good or service. If an entity is to transfer a series of distinct goods or services that are substantially the same, the series shall be accounted for as a single promise if both of the following criteria are met: (a) each distinct good or service in the series that the entity promises to transfer to the customer would meet the criteria to be satisfied over time; and (b) the same method would be used to measure the entity's progress towards complete satisfaction of the promise to transfer each distinct good or service in the series to the customer.	**binding arrangement**	resource provider and shall identify as a compliance obligation each promise to use resources internally for, or transfer to an external party or parties (i.e., the purchaser (the resource provider) or third-party beneficiary), either: (a) A good or service (or a bundle of goods or services) that is distinct; or (b) A series of distinct goods or services that are substantially the same in characteristics and risks and that have the same pattern of use internally or transfer to the purchaser or third-party beneficiary A series of distinct goods or services has the same pattern of use internally or transfer to the purchaser or third-party beneficiary if both of the following criteria are met: (a) Each distinct good or service in the series would meet the criteria to be a compliance obligation satisfied over time; and (b) the same method would be used to measure the entity's progress towards complete satisfaction of the compliance obligation.	compliance obligations in a binding arrangement. One significant difference is that IPSAS introduces concept of a promise to use resources internally (non-exchange transactions) as well as to transfer whereas IFRS for SMEs only focuses on the transfer of goods and services (primarily exchange transactions). Exchange / non-exchange comments apply throughout this section.

Distinct goods or services	A good or service that is promised by an entity to a customer is distinct if both the following criteria are met: (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and (b) the entity's obligation to transfer the good or service is separate from other obligations in the contract.	Identifying distinct promises to use resources	A compliance obligation is a unit of account in a revenue transaction with a binding arrangement that represents a distinct promise or group of promises to which recognition and measurement concepts are applied. A good or service that is promised in a binding arrangement is distinct if both the following criteria are met: (a) The party receiving the good or service can generate economic benefits or service potential form the good or service either on its own or together with other resources that are readily available to that party; and (b) The entity's promise to use resource internally for the good or service or transfer the good or service to the purchaser or third-party beneficiary is separately identifiable from other promises in the binding arrangement.	Similar conceptual basis but IPSAS Standard includes potential for internal resource use and the generation of service potential.
Warranties	If a customer has the option to purchase a warranty separately, the warranty is distinct and an entity shall account for the warranty as a separate promise. If the customer does not have the option to purchase a warranty separately, an entity shall account for the warranty in accordance with Section 21 Provisions and Contingencies unless (a) the warranty is significant to the contact and (b)	Included in AG in IPSAS.		Similar conceptual basis

	it provides the customer with a service in addition to the assurance that the product complies with agreed-upon specification in which case it is a separate promise.			
Non-refundable upfront fees	If a non-refundable upfront fee relates to the transfer of a good or service, an entity shall evaluate whether to account for the good or service as a separate promise or to include it in the transaction price and allocate it to the promises in the contract.	Included in AG in IPSAS.		Similar conceptual basis
Customer options for additional goods or services	An entity shall account for an option that provides a material right to a customer as a separate promise only when the effect. Of doing so is significant to the accounting for the individual contract. Entity will recognise revenue when future goods or services are transferred or when the option expires.	Included in AG in IPSAS.		Similar conceptual basis
Principal versus agent considerations	Entity shall determine whether the nature of its promise is to provide the specified goods or services itself or to arrange for those goods or services to be provided but the other party. Entity shall determine whether it is a principal or agent for each promise in a contract. Entity that is a principal shall recognise revenue in the gross amount of consideration to which it expects to be entitled. An entity that is an agent shall recognise revenue in an amount of any fee or commission to which it expects to be entitled.	Included in AG in IPSAS.		Similar conceptual basis

		Promises to use resources	Binding arrangement generally explicitly states the goods or services that entity promises to use internally or to transfer to a purchaser or third party beneficiary. Not limited to those because may include promises implied by customary practices, statements or similar that create a valid expectation. Compliance obligations do not include activities that an entity must undertake to satisfy a binding arrangement unless the completion of those activities uses resources in a manner clearly specified in the binding arrangement.	Not explicitly covered in the IFRS for SMEs Section. Required in IPSAS because binding arrangement definition explicitly discusses valid expectations arising from customary practices etc.
		Initial recognition of revenue transactions with a binding arrangement	Entity shall not recognise any asset, liability or revenue associated with the binding arrangement unless is it onerous. Wholly unsatisfied when entity has not yet started satisfying any of its compliance obligations and resource provider has not yet paid and is not yet obligated to pay consideration to the entity for satisfying any of its compliance obligations. When onerous, an entity shall account for the expected deficit in accordance with IPSAS 19.	Not explicitly covered in IFRS for SMEs Section

		Analysis of the initial inflow of resources	Recognise inflow or resources from a revenue transaction with a binding arrangement as an asset when the definition of an asset and the recognition criteria are met.	This is partly covered in the IFRS for SMEs Section in Contract Balances.
		Existence and recognition of a liability	When entity recognises an asset for an inflow of resources, considers if there are compliance obligations related to the inflow which result in the recognition of a liability. Compliance obligation gives rise to a liability when: (a) The entity received resources associated with its unsatisfied or partially unsatisfied compliance obligation in a binding arrangement; and (b) Resource provider can enforce the binding arrangement if entity does not satisfy the compliance obligations associated with the consideration received, by requiring entity to transfer resources in compliance with the binding arrangement. For liability to exist it is necessary that the entity cannot avoid a transfer or resources as a consequence of past events and that the transfer of resources is probable. Entity should consider facts and circumstances	This is partly covered in the IFRS for SMEs Section in Contract Balances.

			related to the binding arrangement to determine if other parties can enforce their rights and impose a consequence that requires a transfer of resources as a result of non-compliance. If entity receives resources prior to both parties agreeing to the terms of the binding arrangement and it is expected the binding arrangement will be entered into, it recognises a liability for an advance receipt.	
		Measurement		
		Measurement of assets from an inflow of resources	Asset in a revenue transaction with a binding arrangement shall initially be measured at its transaction consideration as at date in which asset recognition criteria are satisfied. Subsequently measured if a receivable asset as a financial asset or otherwise in accordance with relevant IPSAS.	Not explicitly covered in the IFRS for SMEs Section
		Measurement of liabilities	Best estimate of the amount required to settle the compliance obligation at the reporting date.	Not explicitly covered in the IFRS for SMEs Section
Determine the transaction price	An entity shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring goods or services promised to a customer, excluding	**Determining the transaction consideration**	An entity shall consider the terms of the binding arrangement and its customary practices to determine the transaction consideration. The transaction consideration is the amount of resources to which an entity expects to be entitled in the binding arrangement for satisfying its compliance obligations, excluding amounts collected on	Similar conceptual basis.

	amounts collected on behalf of third parties (for example, some sales taxes).		behalf of third parties (for example, some sales taxes). The consideration promised in a binding arrangement may include fixed amounts, variable amounts, or both.	
Variable consideration	If the consideration promised in a contract includes a variable amount, an entity shall estimate the variable amount in the transaction price that reflects the amount that it is expected to become due. An entity shall estimate an amount of variable consideration by using either of the following methods: (a) The expected value (b) The most likely amount Entity shall include in the transaction price some or all of an amount of variable consideration only to the extent that it is highly probable that this amount will become due when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, entity shall update the estimate of variable consideration include in the transaction price to reflect any relevant changes in circumstances.	Variable consideration	If the consideration in the binding arrangement includes a variable amount, an entity shall estimate the amount of the consideration to which the entity expects to collect from the resource provider. An entity shall estimate an amount of variable consideration by using whichever of the following methods the entity expects to better predict the amount of consideration which it expects to be entitled to: (a) The expected value (b) The most likely amount.	Similar conceptual basis.
Sale-based or usage based royalties	An entity shall recognise revenue for such royalties when or as the later of the following events occurs: (a) the subsequent	Included in the AG in IPSAS Standard.		Similar conceptual basis.

	sale or usage takes place; and (b) when or as the promise to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied.			
Refund liabilities	If an entity receives consideration from a customer and expects to refund some or all of that consideration to the customer, the entity shall recognise as a refund liability the amount of consideration that the entity reasonably expects to refund to the customer.	Refund liabilities	Entity shall recognise a refund liability if the entity receives consideration from a resource provider and expects to refund some or all of that consideration to the resource provider, relating to a transfer of distinct goods or services to a purchaser or third-party beneficiary. Measured at the amount of consideration received or receivable for which the entity does not expect to be entitled.	Similar conceptual basis.
Sale with a right of return	To account for revenue for the transfer of products with a right of return, an entity shall recognise: (a) revenue only for products not expected to be returned (b) a refund liability for consideration received or receivable for products expected to be returned; and (c) a refund asset, classified as inventory, for product expected to be returned.	Included in the AG in IPSAS Standard.		Similar conceptual basis.
Time value of money	If payment is deferred beyond normal business terms, the arrangement constitutes a financing transaction. An entity shall adjust the promised amount of consideration for the effects of the time value of money and recognise the interest revenue in accordance with Section 11.	The existence of a significant financing component in the binding arrangement	In determining the transaction consideration, an entity shall adjust the amount of consideration for the effects of the time value of money if the timing of the inflows agreed to by the parties to the binding arrangement provides the resource provider or the entity with a significant	Similar conceptual basis. For IFRS for SMEs Section key determinant is deferment beyond normal business terms whereas IPSAS Standard is explicitly focused on the significant benefit to an entity from financing.

			benefit of financing the binding arrangement.	
		Constraining estimates of variable consideration	Entity shall include in the transaction consideration some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.	This is included in the main text on variable consideration in the IFRS for SMEs Section. Similar conceptual basis.
		Reassessment of variable consideration	At the end of each reporting period, entity shall update the estimated transaction consideration.	This is included in the main text on variable consideration in the IFRS for SMEs Section. Similar conceptual basis.
Non-cash consideration	To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, an entity shall measure the non-cash consideration or promise of a non-cash consideration at its fair value.	Non-cash consideration	To determine the transaction consideration for binding arrangements in which a resource provider promises consideration in a form other than cash, an entity shall measure the non-cash consideration or right to a non-cash inflow at its fair value when the criteria for asset recognition is satisfied.	Similar conceptual basis
Allocate the transaction price to the promises in the contract	An entity shall allocate the transaction price to each promise identified in the contract on a relative stand-alone selling price basis.	**Allocating the transaction consideration to compliance obligations**	The objective when allocating the transaction consideration is for an entity to allocate the transaction consideration to each compliance obligation in the amount that depicts the amount of consideration to which the entity expects to be entitled in satisfying the compliance obligations.	Similar conceptual basis, although IPSAS Standard also provides an allocation objective.

			To meet the allocation objective, an entity shall allocate the transaction consideration to each compliance obligation identified in the binding arrangement on a relative stand-alone value. The amount of revenue recognized shall be a proportionate amount of the resource inflow recognized as an asset, based on the estimated percentage of the total compliance obligations satisfied.	
Allocation based on stand-alone selling prices	An entity shall determine the stand-alone selling price at contract inception of the distinct good or service underlying each promise in the contract and allocate the transaction price in proportion to those stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a good or service promised in a contract separately to a customer.	Allocation based on stand-alone values	Entity shall determine the stand-alone value at the inception of the binding arrangement of the distinct good or service underlying each compliance obligation in the binding arrangement and allocate the transaction consideration in proportion to these stand-alone values. The stand-alone value is the price at which an entity would use a good or service internally or provide a good or service separately to a purchaser or third-party.	Similar conceptual basis. IPSAS Standard includes the possibility of internal use of a good or service.
Allocation of a discount	Customer receives a discount if the sum of the stand-alone selling prices of the goods or services promised in the contract exceeds the promised consideration. Entity shall allocate a discount to the entire contract on a relative stand-along basis unless this basis does not depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the goods or services promised to the customer.	Included in AG in IPSAS Standard.		Similar conceptual basis.

Allocation of variable consideration	Entity shall allocate variable consideration in a transaction price to the entire contract on a relative stand-along selling price basis, unless this basis does not depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the goods or services promised to the customer.	Allocation of variable consideration	Variable consideration that is promised in a binding arrangement may be attributable to the entire binding arrangement or to a specific part of the binding arrangement. An entity shall allocate a variable amount entirely to a compliance obligation or to a distinct good or service that forms part of a single compliance obligation if both of the following criteria are met: (a) the terms of a variable payment relate specifically to the entity's efforts to satisfy the compliance obligation or use or transfer the distinct good or service; and (b) allocating the variable amount of consideration entirely to the compliance obligation or the distinct good or service is consistent with the allocation objective when considering all of the compliance obligations and payment terms in the binding arrangement.	Similar conceptual basis but IPSAS Standard provides more detail on the allocation of variable consideration, including specific criteria.
Changes in transaction price	After contract inception, an entity's estimate of the amount of consideration to which it expects to be entitled in exchange for transferring goods or services may change. To account for changes in the estimate of the transaction price, an entity shall allocate any changes to promises in the contract on the same basis as at contract inception. Amounts allocated to a promise that has been satisfied shall be recognised as revenue or a reduction in revenue in the	Changes in the transaction consideration	After the inception of the binding arrangement, the transaction consideration can change for various reasons. An entity shall allocate to the compliance obligations in the binding arrangement any subsequent changes in the transaction consideration on the same basis as at the inception of the binding arrangement. Amounts allocated to a satisfied compliance obligation shall be recognised as revenue, or as a reduction in	Similar conceptual basis.

	period in which the estimate of the transaction price changes.		revenue, in the period in which the transaction consideration changes.	
Recognise revenue when (or as) the entity satisfies a promise	An entity shall recognise revenue when (or as) the entity satisfies a promise to transfer a good or service or bundle of goods or services to a customer. A good or service is transferred when (or as) the customer obtains control of that good or service. For each promise identified an entity shall determine at contract inception whether the promise is satisfied over time or satisfied at a point in time.	**Recognition of revenue transactions with a binding arrangement**	When an entity receives an inflow of resources in a revenue transaction with a binding arrangement that meet the definition and recognition criteria of an asset the entity shall recognise: (a) revenue for any satisfied compliance obligations in respect of the same inflow; and (b) a liability for any unsatisfied compliance obligations in respect of the same inflow. The timing of revenue recognition is determined by the nature of the requirements in a binding arrangement and their settlement. Entity shall recognise revenue from a transaction with a binding arrangement when or as the entity satisfies a compliance obligation by using resources in the specified manner, in compliance with the terms of the binding arrangement. Entity shall reduce an equal amount of the carrying amount of any liability that was recognise upon receipt of an inflow of resources. Entity satisfies a compliance obligation by using resource for promised goods or services internally or to transfer a promised good or service to a resource provider or third-party beneficiary. An asset is used internally or transferred when or as the	IPSAS Standard has an explicit focus on asset recognition criteria linked to meeting compliance obligations.

			entity receiving the asset obtains control of that asset. Goods and services are assets when they are received and used. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.	
		Compliance obligations to use resources for goods or service internally		IFRS for SMEs does not cover obligations to use resources for goods or services internally (see Section 24 – topic as a whole)
		Satisfied over time	Entity obtains control of a good or service over time and, therefore satisfies a compliance obligation and recognises revenue over time, if one of the following criteria is met: (a) Entity simultaneously receives and consumes the economic benefits or service potential provided by the entity's performance as the entity performs (b) Entity's performance creates or enhances an asset that the entity controls as the asset is created or enhanced (c) Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to	IFRS for SMEs does not cover obligations to use resources for goods or services internally

			consideration for performance to date.	
		Satisfied at a point in time	If a compliance obligation is not satisfied over time an entity satisfies the compliance obligation at a point in time. To determine the point in time at which the entity obtains or transfers control of a promised asset and satisfies a compliance obligation, the entity shall consider the requirements for control.	IFRS for SMEs does not cover obligations to use resources for goods or services internally
		Compliance obligations to transfer goods or service to another party (purchaser or third-party beneficiary)		
Promises satisfied over time	Entity transfers control of a good or service over time, and therefore satisfies a promise over time, if one of the following criteria is met: (a) Customer receives and consumes the benefits of the entity's performance as the entity performs; (b) Entity's work carried out to date would not need to be substantially reperformed if another entity were to fulfil the remainder of the promise to the customer; (c) Entity's performance creates or enhances an asset that the	*Satisfied over time*	Entity transfers control of a good or service over time and, therefore satisfies a compliance obligation and recognises revenue over time, if one of the following criteria is met: (a) Purchaser or third party simultaneously receives and consumes the economic benefits or service potential provided by the entity's performance as the entity performs (b) Entity's performance creates or enhances an asset that the purchaser or third-party beneficiary	Similar conceptual basis, IFRS for SMES has additional criteria

	customer obtains control of as the asset is created or enhanced (d) The entity's performance creates an asset that cannot be readily redirected to another customer and the customer is obliged to compensate the entity for work carried out to date.		controls as the asset is created or enhanced (c) Entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to consideration for performance to date.	
Promises satisfied at a point in time (including customer acceptance clauses)	If a promise if not satisfied over time an entity satisfied the promise at a point in time. To determine the point in time at which a customer obtains control of a promised asset an entity shall consider indicators of the transfer of control, including: (a) Entity has a present right to payment for the asset (b) Customer has legal title to the asset (c) Customer has physical possession of the asset (d) Customer has the significant risks and rewards of ownership of the assert (e) Customer has accepted the asset	*Satisfied at a point in time*	If a compliance obligation is not satisfied over time, an entity satisfies the obligation at a point in time. To determine the point in time at which a purchaser or third-party beneficiary obtains control of a promised asset and the entity satisfies a compliance obligation, the entity should consider the requirements for control. In addition an entity shall consider indicators of the transfer of control including: (a) The entity has a present right to consideration for the asset (b) The purchaser or third-party beneficiary has legal title to the asset (c) The entity has transferred physical possession of the asset (d) The purchaser or third-party beneficiary has the significant risks and rewards of ownership of the asset (e) The resource provider has accepted the asset.	Similar conceptual basis

Measuring progress towards complete satisfaction of a promise	For each promise satisfied over time an entity shall recognise revenue over time by measuring its progress towards complete satisfaction of that promise. Entity shall select a method of measuring progress that depicts the entity's performance in transferring control of goods or services promised to a customer. Shall apply a single method for each promise satisfied over time and apply that method consistently to similar promises and in similar circumstances. At end of each reporting period shall remeasure its progress towards complete satisfaction of a promise satisfied over time and update its measure of progress. In determining a method of measuring progress, entity shall consider the nature of the good or service. Appropriate methods include those that recognise revenue based on: (a) measurement of the value to the customer of the goods or services transferred to date relative to the remaining goods or services to be transferred under the contract (output methods); and (b) the entity's efforts or inputs to the satisfaction of a promise relative to the total expected inputs to satisfy the promise (input methods).	Measuring progress towards complete satisfaction of a compliance obligation	For each compliance obligations satisfied over time an entity shall recognise revenue over time by measuring the progress towards the complete satisfaction of that compliance obligation. The objective when measuring progress is to depict an entity's performance to satisfy its compliance obligation. Entity shall apply a single method of measuring progress for each compliance obligation satisfied over time and the entity shall apply that method consistently to similar compliance obligations and in similar circumstances. At the end of each reporting period an entity shall remeasure its progress towards complete satisfaction of a compliance obligation satisfied over time.	Similar conceptual basis

		Methods for measuring progress	Appropriate methods of measuring progress include output methods and input methods. In determining the appropriate method for measuring progress, an entity shall consider the nature of the entity's promise and whether the terms of the binding arrangement specify the activities or expenditure an entity is to perform or incur.	Included in Measuring progress towards complete satisfaction of a promise text in IFRS for SMEs Section. Similar conceptual basis
		Reasonable measures of progress	Entity shall recognise revenue for a compliance obligation satisfied over time only if the entity if the entity can reasonably measure its progress towards complete satisfaction of the compliance obligation.	Not explicitly covered in IFRS for SMEs Section.
		Subsequent consideration of asset recognition criteria	When an inflow of resources does not meet the criteria of recognising revenue from a transaction without a binding arrangement, entity recognises inflow received as revenue only if (a) the entity has no unsatisfied compliance obligation or (b) arrangement has been terminated and the inflow received from the resource provider is non-refundable.	Not explicitly covered in IFRS for SMEs Section as it is focused on revenue from contracts with customers.
Licensing	If the promise to grant a licence is distinct from other goods and services in the contract, the entity shall determine whether the promise is satisfied over time or satisfied at a point in time. If satisfied over time, the entity shall select an appropriate method to measure its	Covered in AG in IPSAS Standard.		Similar conceptual basis.

	progress towards complete satisfaction of that promise. If at a point in time, the entity shall determine the point in time at which the licence transfers to the customer.			
Contract costs		**Other assets from revenue transaction with binding arrangement costs**		
Costs to obtain a contract	Entity may incur costs in its effort to obtain a contract with a customer. Shall recognise such costs as an asset if: (a) the costs would not have been incurred by the entity if the contract had not been obtained; and (b) the costs are expected to be recovered. If an entity is unable to identify whether costs to obtain a contract meet these criteria without undue cost or effort, they will be recognised as an expense when incurred. As shall costs to obtain a contract that would have been incurred regardless of whether the contract was obtained, unless they are explicitly chargeable to the customer regardless of whether the contract is obtained.	Incremental costs of obtaining a binding arrangement	Entity shall recognise as an asset the incremental costs of obtaining a binding arrangement if the entity expects to recover those costs. Incremental costs are those that an entity would not have incurred if the binding arrangement had not been obtained. Costs that would have been incurred regardless shall be recognised as expenses when incurred, unless they are explicitly chargeable to the resource provider regardless of whether the binding arrangement is obtained.	Similar conceptual basis
Costs of fulfilling a contract	Entity shall account for costs incurred in fulfilling a contract with a customer in	Costs to fulfil a binding arrangement	If costs incurred in fulfilling a binding arrangement are not within scope of	Similar conceptual basis

	accordance with the relevant section of this Standard for those costs. If not within scope of another section, entity shall recognise those costs as an asset if: (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify; (b) The costs generate or enhance resources of the entity that will be used in satisfying promises in the future; and (c) The costs are expected to be recovered. Asset recognised gives rise to resources that the entity will use to satisfy future promises in the contract. Costs related to promises that are satisfied shall be recognised as expenses when incurred, as those costs relate to past performance.		another Standard, an entity shall recognise an asset from those costs incurred if: (a) The costs relate directly to a binding arrangement or to an anticipated binding arrangement that the entity can specifically identify; (b) The costs generate or enhance resources of the entity that will be used in satisfying compliance obligations in the future; and (c) The costs are expected to be recovered. Costs within scope of another Standard shall be accounted for in accordance with that Standard.	
Measurement after recognition	After initial recognition, an entity shall measure assets at cost less accumulated amortisation and any accumulated impairment losses. Asset shall be amortised in accordance with the pattern of transfer and revenue recognition of the goods or services to which the asset relates.	Amortisation and impairment	Asset recognised shall be amortised on a systematic basis that is consistent with the satisfaction of the compliance obligation to which the asset relates. Entity shall update amortisation to reflect a significant change in the entity's timing of the satisfaction of the compliance obligation to which the asset relates.	Similar conceptual basis

	Entity shall follow Section 27 Impairment of Assets for recognising and measuring the impairment of the asset. The recoverable amount of an asset is: (a) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates, less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.		Entity shall recognise an impairment loss in surplus or deficit to the extent that the carrying amount of the asset exceeds: (a) the remaining amount of consideration that the entity expects to receive for the satisfaction of the compliance obligations to which the asset relates; less (b) the costs that relate directly to satisfying the compliance obligations and that have not been recognised as expenses.	
Contract balances	When either party to a contract has performed, an entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between: (a) the entity's performance in transferring goods or services to the customer; and (b) the customer's payment. If an entity has received consideration from the customer before the entity transfers a good or service to the customer, the entity shall recognise a contract liability which is its obligation to transfer goods or services to a customer for which the entity has received consideration. If tan entity transfers a good or service to a customer before the customer pays consideration, the entity shall recognise a	Covered in IPSAS Standard in Initial recognition of resources and existence and recognition of a liability paragraphs		. IPSAS Standard provides more detail on how compliance obligation can give rise to a liability.

	contract asset. This is the entity's right to consideration in exchange for goods and services that the entity has transferred to the customer.			
Customers' unexercised rights	When an entity receives an upfront non-refundable payment that gives the customer a right to receive a good or service in the future this gives rise to a contract liability. However, customers might not exercise all of their contractual rights. Those unexercised rights are often referred to as breakage. If an entity expects to be entitled to a breakage amount in a contract liability, the entity shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer when those future goods or services are transferred. If an entity does not expect to be entitled to a breakage amount, the entity shall recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights become remote.	Included in AG in IPSAS Standard.		Similar conceptual basis.
Government grants – Section 24	Entity shall recognise government grants as follows: (a) A grant that does not impose specified future performance conditions on the recipient is	In IPSAS this is covered through revenue from a transaction with a binding arrangement or revenue from a		

	recognised in income when the grant proceeds are receivable (b) A grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met; and (c) Grant received before the revenue recognition criteria are satisfied are recognised as a liability. Entity shall measure grants at the fair value of the asset received or receivable.	transaction without a binding arrangement.		