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International Accounting Standards Board  
30 Cannon Street  
London EC4M6XH  
Submitted electronically

9 July 2009

Dear IASB secretariat

**DISCUSSION PAPER**  
**Preliminary Views on Revenue Recognition in Contracts with Customers**

CIPFA is pleased to present its comments on the above Discussion Paper, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

2. CIPFA considers that the proposals in the Discussion Paper are clearly and logically presented, and would provide a useful basis for the development of an IFRS on Revenue Recognition.

3. We note that there are a number of significant issues which are not covered in this paper, and that these would need to be addressed in the development of an Exposure Draft. In addition, we have specific comments on two matters:

- the DP proposes a single revenue recognition principle, reflecting the satisfaction of performance obligation as assets are transferred into the control of the customer, and moves away from consideration of risks and rewards. As noted in CIPFA responses to other IASB and IFRIC consultations, in our view an assessment of risks and rewards can play a key role in determining where control lies in difficult cases.

- the principle may not provide decision-useful information for construction or long-term contracts in which the asset is not transferred to the customer on a continuous basis.

4. The IASB will need to consider carefully the practical effect of this proposal in further developing its approach, and we think this should be a key factor for examination in the development of an Exposure Draft.

5. I hope this is a helpful contribution to the discussion in this important area.

Kind regards

Steven Cain  
Technical Manager, Financial Reporting and Auditing Standards  
CIPFA  
3 Robert Street, London WC2N 6RL



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Tel +44 (0)20 7543 5794  
steven.cain@cipfa.org