



IAS 18 Revenue: Appendix Examples

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[Sale of Goods 1]

- The law in *different countries may mean the recognition criteria in this Standard are met at different times. In particular, the law may determine the point in time at which the entity transfers the significant risks and rewards of ownership. Therefore, the examples in this section of the appendix need to be read in the context of the laws relating to the sale of goods in the country in which the transaction takes place.*

[Sale of Goods 2]

- 1 'Bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing.
- 2 Goods shipped subject to conditions.
 - (a) installation and inspection.
 - (b) on approval when the buyer has negotiated a limited right of return.
 - (c) consignment sales under which the recipient (buyer) undertakes to sell the goods on behalf of the shipper (seller).
 - (d) cash on delivery sales.

[Sale of Goods 3]

- Lay away sales under which the goods are delivered only when the buyer makes the final payment in a series of instalments.
- Revenue from such sales is recognised when ...
- Orders when payment (or partial payment) is received in advance of delivery for goods not presently held in inventory, for example, the goods are still to be manufactured or will be delivered directly to the customer from a third party.

[Sale of Goods 4]

- Sole and repurchase agreements (other than swap transactions) under which the seller concurrently agrees to repurchase the same goods at a later date, or when the seller has a call option to repurchase, or the buyer has a put option to require the repurchase, by the seller, of the goods.
- Soles to intermediate parties, such as distributors, dealers or others for resale.
- Revenue from such sales is generally recognised when ...
- Subscriptions to publications and similar items.
- Instalment sales, under which the consideration is receivable in instalments.
- 9 Real estate sales

Rendering of Services 1

- 10 Installation fees.
- 11 Servicing fees included in the price of the product.
- 12 Advertising commissions.
- 13 Insurance agency commissions.
- Financial service fees.
 - (a) Fees that are an integral part of the effective interest rate of a financial instrument.
 - (i) Origination fees received by the entity relating to the creation or acquisition of a financial asset other than one that under IAS 39 is classified as a financial asset 'at fair value through profit or loss'.

[Rendering of Services 2]

- (ii) Commitment fees received by the entity to originate a loan when the loan commitment is outside the scope of IAS 39.
- (iii) Origination fees received on issuing financial liabilities measured at amortised cost.
- Fees earned as services are provided.
- (i) Fees charged for servicing a loan.
- (ii) Commitment fees to originate a loan when the loan commitment is outside the scope of IAS 39.
- (iii) Investment management fees.

Rendering of Services 3

- Fees that are earned on the execution of a significant act.
- (i) Commission on the allotment of shares to a client.
- (ii) Placement fees for arranging a loan between a borrower and an investor.
- (iii) Loan syndication fees.
- Admission fees.
- Tuition fees.
- Initiation, entrance and membership fees.

Rendering of Services 4

- *Franchise fees.*
- *(a) Supplies of equipment and other tangible assets.*
- *(b) Supplies of initial and subsequent services.*
- *(c) Continuing franchise fees.*
- *(d) Agency transactions.*
- *19 Fees from the development of customised software.*

[Interest, Royalties and Dividends]

- 20 Licence fees and royalties.

[Reference]

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