Continue

Deloitte revenue recognition guide

The core principle of IFRS 15 Revenue from Contracts with Customers is to recognize revenue in an amount that reflects the consideration expected to be earned by an entity. This involves evaluating significant judgments throughout the five-step process, which includes identifying performance obligations and controlling the specified good or service before transferring it to customers. To determine whether a promise to transfer a good or service is separately identifiable from other goods or services, entities must evaluate the nature of the promise, considering whether it's to transfer each individual item or a combined package. The unit of account for performing this assessment is the "specified" good or service, which is determined to be distinct using the same criteria as performance obligations. Entities control the specified good or service when they can direct its use and obtain substantially all remaining benefits from it before transferring it to customers. This determination may be clear-cut in some cases but requires significant judgment in others. Revenue recognition remains a topic of discussion in SEC comment letters, with key themes including the need for careful evaluation of performance obligations and control over goods or services transferred to customers.

Deloitte software revenue recognition guide. 4 revenue recognition criteria. Deloitte revenue recognition guide pdf. What is revenue recognition in accounting. Revenue recognition deloitte. What is deloitte's revenue.