

User survey on Provisions - Targeted improvements

General information

First name *

Last name *

Email (if we can contact you in case of any follow-up questions)

Background

- buy-side user
- sell-side user
- credit provider
- credit rater
- other

If you respond on behalf of an entity or organisation, please provide the name of the entity or organisation.

In which country are you located?

Example 1

Fact pattern:

- A levy is imposed yearly on entities generating revenue in a specific market.
- The levy is a percentage of revenue earned in 20X0 but is charged in full on 1 January 20X2.
- Only entities operating in the market on 1 January 20X2 are subject to the levy.
- No economic resources are received in return for paying the levy.

It is assessed that the entity has no practical ability to avoid exiting the market before 1 January 20X2. Exiting the market would have significantly more adverse economic consequences than paying the levy.

The graphs below illustrate when a levy will be recognised in each of the four possible answers. The letters accompanying each graph correspond to the respective answers.

What do you think would result in the most useful information?

- a) Recognising the levy in full on 1 January 20X2
- b) Recognising the levy as the entity is earning revenue in 20X0
- c) Recognising the levy on a straight-line basis in 20X1
- d) Something else

Please explain

Please briefly explain the reason for your answer and whether it is based on any assumptions not stemming from the simplified example.

Example 2

Fact pattern:

- A levy is imposed yearly on entities generating revenue in a specific market.
- For entities operating in the market in 20X0, the levy is a percentage of revenue earned in 20X0 but is charged in full on 1 January 20X2.
- For entities not operating in 20X0, revenue information for 20X1 is used.
- Only entities operating in the market on 1 January 20X2 are subject to the levy.
- No economic resources are received in return for paying the levy.

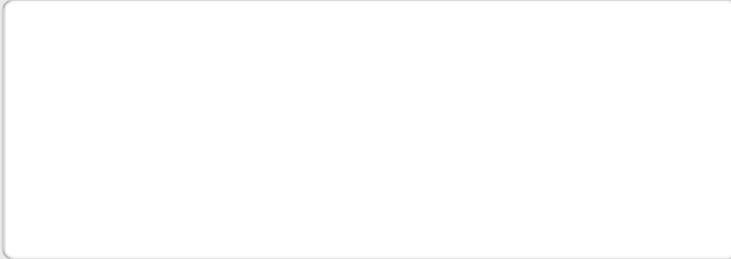
An entity is operating in the market in 20X0. It is assessed that the entity has no practical ability to avoid exiting the market before 1 January 20X2. Exiting the market would have significantly more adverse economic consequences than paying the levy.

What do you think would result in the most useful information?

- a) Recognising the levy in full on 1 January 20X2
- b) Recognising the levy as the entity is earning revenue in 20X0
- c) Recognising the levy on a straight-line basis in 20X1
- d) Something else

Please explain

Please briefly explain the reason for your answer and whether it is based on any assumptions not stemming from the simplified example.



Example 3

Fact Pattern:

- Legislation imposes an annual property tax on land and buildings held for business use.
- The tax is payable by the party that owns the land and buildings on 31 December each year and has to be paid by 30 June in the following year.
- The amount is determined by the price paid for the land and buildings by the current owner, increased by the change in a specified price index between the purchase date and the date on which the tax is charged.

On 31 December 20X4, an entity owns and holds for business use land and buildings it bought on 1 June 20X0.

What do you think would result in the most useful information?

- a) Recognising the levy in full on 1 June 20X0
- b) Recognising the levy in full on 31 December 20X4
- c) Recognising the levy on a straight-line basis in 20X4
- d) Something else

Please explain

Please briefly explain the reason for your answer and whether it is based on any assumptions not stemming from the simplified example.