

Contracts with Customers

[00 Status](#)

[05 Overview and Background](#)

[15 Scope and Scope Exceptions](#)

[20 Glossary](#)

[25 Recognition](#)

[35 Subsequent Measurement](#)

[50 Disclosure](#)

[55 Implementation Guidance and Illustrations](#)

[60 Relationships](#)

00 Status

General Note

The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General

00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
<u>Contract</u>	Added	Accounting Standards Update No. 2014-09	05/28/2014
<u>Customer</u>	Added	Accounting Standards Update No. 2014-09	05/28/2014
<u>Not-for-Profit Entity</u>	Added	Accounting Standards Update No. 2014-09	05/28/2014
<u>Performance Obligation</u>	Added	Accounting Standards Update No.	05/28/2014

		2014-09	
Public Business Entity	Added	Accounting Standards Update No. 2014-09	05/28/2014
Revenue	Added	Accounting Standards Update No. 2014-09	05/28/2014
Transaction Price	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-05-1	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-05-2	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-15-1 through 15-3	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-25-1 through 25-8	Added	Accounting Standards Update No. 2014-09	05/28/2014
		Accounting	

340-40-35-1 through 35-6	Added	Standards Update No. 2014-09	05/28/2014
340-40-50-1 through 50-6	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-55-1 through 55-9	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-60-1	Added	Accounting Standards Update No. 2014-09	05/28/2014
340-40-60-2	Added	Accounting Standards Update No. 2014-09	05/28/2014

05 Overview and Background

General Note

The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

General

05-1

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
This Subtopic provides accounting guidance for the following costs related to a contract with a customer within the scope of Topic 606 on revenue from contracts with customers:
a Incremental costs of obtaining a contract with a customer
b Costs incurred in fulfilling a contract with a customer that are not in the scope of another Topic.

05-2

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
Paragraphs presented in bold type in this Subtopic state the main principles. All paragraphs have equal authority.

15 Scope and Scope Exceptions

General Note

The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

General

Overall Guidance

15-1

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic (see Section 340-10-15), with specific qualifications and exceptions noted below.

Transactions

Incremental Costs of Obtaining a Contract with a Customer

15-2

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
The guidance in this Subtopic applies to the incremental costs of obtaining a contract with a customer within the scope of Topic 606 on revenue from contracts with customers (excluding any consideration payable to a customer, see paragraphs 606-10-32-25 through 32-27).

Costs Incurred in Fulfilling a Contract with a Customer

15-3

Pending Content

Transition Date: (P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:** [606-10-65-1](#)

The guidance in this Subtopic applies to the costs incurred in fulfilling a [contract](#) with a [customer](#) within the scope of Topic [606](#) on [revenue](#) from contracts with customers, unless the costs are within the scope of another Topic or Subtopic, including, but not limited to, any of the following:

- a Topic [330](#) on inventory
- b Paragraphs [340-10-25-1 through 25-4](#) on preproduction costs related to long-term supply arrangements
- c Subtopic [350-40](#) on internal-use software
- d Topic [360](#) on property, plant, and equipment
- e Subtopic [985-20](#) on costs of software to be sold, leased, or otherwise marketed.

20 Glossary

General Note

The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

Contract

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#)

An agreement between two or more parties that creates enforceable rights and obligations.

Customer

A user or reseller.

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#).

A party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Not-for-Profit Entity

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- a Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return
- b Operating purposes other than to provide goods or services at a profit
- c Absence of ownership interests like those of business entities.

Entities that clearly fall outside this definition include the following:

- a All investor-owned entities.
- b Entities that provide dividends, lower costs, or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

Performance Obligation

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#)

A promise in a **contract** with a **customer** to transfer to the customer either:

- a A good or service (or a bundle of goods or services) that is distinct.
- b A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Public Business Entity

A public business entity is a business entity meeting any one of the criteria below. Neither a **not-for-profit entity** nor an employee benefit plan is a business entity.

- a It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- b It is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC.
- c It is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.
- d It has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market.
- e It has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including footnotes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

Revenue

Revenue earned by an entity from its direct distribution, exploitation, or licensing of a film, before deduction for any of the entity's direct costs of distribution. For markets and territories in which an entity's fully or jointly-owned films are distributed by third parties, revenue is the net amounts payable to the entity by third party distributors. Revenue is reduced by appropriate allowances, estimated returns, price concessions, or similar adjustments, as applicable.

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#).

Inflows or other enhancements of assets of an entity or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations.

Transaction Price

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#)

The amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

25 Recognition

General Note

The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

General

Contract Costs

Incremental Costs of Obtaining a Contract

25-1

Pending Content

Transition Date: (P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:** [606-10-65-1](#)

An entity shall recognize as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs.

25-2

Pending Content

Transition Date: (P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:** [606-10-65-1](#)

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission).

25-3

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

25-4

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

As a practical expedient, an entity may recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

Costs to Fulfill a Contract

25-5

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity shall recognize an asset from the costs incurred to fulfill a [contract](#) only if those costs meet all of the following criteria:

- a **The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved).**
- b **The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) [performance obligations](#) in the future.**
- c **The costs are expected to be recovered.**

25-6

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)






For costs incurred in fulfilling a contract with a **customer** that are within the scope of another Topic (for example, Topic [330](#) on inventory; paragraphs [340-10-25-1 through 25-4](#) on preproduction costs related to long-term supply arrangements; Subtopic [350-40](#) on internal-use software; Topic [360](#) on property, plant, and equipment; or Subtopic [985-20](#) on costs of software to be sold, leased, or otherwise marketed), an entity shall account for those costs in accordance with those other Topics or Subtopics.

25-7 

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

Costs that relate directly to a contract (or a specific anticipated contract) include any of the following:



- a Direct labor (for example, salaries and wages of employees who provide the promised services directly to the customer) 
- b Direct materials (for example, supplies used in providing the promised services to a customer) 
- c Allocations of costs that relate directly to the contract or to contract activities (for example, costs of contract management and supervision, insurance, and depreciation of tools and equipment used in fulfilling the contract) 
- d Costs that are explicitly chargeable to the customer under the contract 
- e Other costs that are incurred only because an entity entered into the contract (for example, payments to subcontractors). 


25-8 


Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity shall recognize the following costs as expenses when incurred:

- a General and administrative costs (unless those costs are explicitly chargeable to the customer under the contract, in which case an entity shall evaluate those costs in accordance with paragraph [340-40-25-7](#)) 
- b Costs of wasted materials, labor, or other resources to fulfill the contract that were not reflected in the price of the contract 

c Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contract (that is, costs that relate to past performance) 

d Costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations). 

35 Subsequent Measurement

General Note

The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, fair value adjustments, depreciation and amortization, and so forth.

General

Amortization and Impairment

35-1

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
An asset recognized in accordance with paragraph 340-40-25-1 or 340-40-25-5 shall be amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset may relate to goods or services to be transferred under a specific anticipated contract (as described in paragraph 340-40-25-5(a)).

35-2

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
An entity shall update the amortization to reflect a significant change in the entity's expected timing of transfer to the customer of the goods or services to which the asset relates. Such a change shall be accounted for as a change in accounting estimate in accordance with Subtopic 250-10 on accounting changes and error corrections.

35-3

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity shall recognize an impairment loss in profit or loss to the extent that the carrying amount of an asset recognized in accordance with paragraph [340-40-25-1](#) or [340-40-25-5](#) exceeds:

- 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 recognized as expenses (see paragraph [340-40-25-7](#)).

35-4

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

For the purposes of applying paragraph [340-40-35-3](#) to determine the amount of consideration that an entity expects to receive, an entity shall use the principles for determining the **transaction price** (except for the guidance in paragraphs [606-10-32-11 through 32-13](#) on constraining estimates of variable consideration) and adjust that amount to reflect the effects of the customer's credit risk.

35-5

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

Before an entity recognizes an impairment loss for an asset recognized in accordance with paragraph [340-40-25-1](#) or [340-40-25-5](#), the entity shall recognize any impairment loss for assets related to the contract that are recognized in accordance with another Topic (for example, Topic [330](#) on inventory; Subtopic [985-20](#) on costs of software to be sold, leased, or otherwise marketed; Topic [360](#) on property, plant, and equipment; and Topic [350](#) on goodwill and other intangibles). After applying the impairment test in paragraph [340-40-35-3](#), an entity shall include the resulting carrying amount of the asset recognized in accordance with paragraph [340-40-25-1](#) or [340-40-25-5](#) in the carrying amount of the asset group or reporting unit to which it belongs for the purpose of applying the guidance in Topics [360](#) and [350](#) to that asset group or reporting unit.

35-6

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 ; **Transition Guidance:**[606-10-65-1](#)

An entity shall not recognize a reversal of an impairment loss previously recognized.

50 Disclosure

General Note

The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

Assets Recognized from the Costs to Obtain or Fulfill a Contract with a Customer

50-1

Pending Content
<p>Transition Date:(P) December 15, 2016; (N) December 15, 2018 Transition Guidance:606-10-65-1</p> <p>Consistent with the overall disclosure objective in paragraph 606-10-50-1 and the guidance in paragraphs 606-10-50-2 through 50-3, an entity shall provide the following disclosures of assets recognized from the costs to obtain or fulfill a contract with a customer in accordance with paragraphs 340-40-25-1 or 340-40-25-5.</p>

50-2

Pending Content
<p>Transition Date:(P) December 15, 2016; (N) December 15, 2018 Transition Guidance:606-10-65-1</p> <p>An entity shall describe both of the following:</p> <ul style="list-style-type: none"> a The judgments made in determining the amount of the costs incurred to obtain or fulfill a contract with a customer (in accordance with paragraph 340-40-25-1 or 340-40-25-5) b The method it uses to determine the amortization for each reporting period.

50-3

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity shall disclose all of the following:

- a The closing balances of assets recognized from the costs incurred to obtain or fulfill a contract with a customer (in accordance with paragraph [340-40-25-1](#) or [340-40-25-5](#)), by main category of asset (for example, costs to obtain contracts with customers, precontract costs, and setup costs).
- b The amount of amortization and any impairment losses recognized in the reporting period.

50-4

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity, except for a **public business entity**, a **not-for-profit entity** that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, or an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission, may elect not to provide the disclosures in paragraphs [340-40-50-2 through 50-3](#).

Practical Expedients

50-5

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

If an entity elects to use the practical expedient in paragraph [340-40-25-4](#) on the incremental costs of obtaining a contract, the entity shall disclose that fact.

50-6

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity, except for a **public business entity**, a **not-for-profit entity** that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, or an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission, may elect not to provide the disclosure in paragraph [340-40-50-5](#).

55 Implementation Guidance and Illustrations

General Note

The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

General

Illustrations

Contract Costs

55-1

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
Examples 1 and 2 illustrate the guidance in paragraphs 340-40-25-1 through 25-4 on incremental costs of obtaining a <u>contract</u> , paragraphs 340-40-25-5 through 25-8 on costs to fulfill a contract, and paragraphs 340-40-35-1 through 35-6 on amortization and impairment of contract costs.

Example 1—Incremental Costs of Obtaining a Contract

55-2

Pending Content
Transition Date: (P) December 15, 2016; (N) December 15, 2018 Transition Guidance: 606-10-65-1
An entity, a provider of consulting services, wins a competitive bid to provide consulting services to a new <u>customer</u> . The entity incurred the following costs to obtain the contract:

External legal fees for due diligence	\$ 15,000
Travel costs to deliver proposal	25,000
Commissions to sales employees	10,000
Total costs incurred	<u>\$ 50,000</u>

55-3

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

In accordance with paragraph [340-40-25-1](#), the entity recognizes an asset for the \$10,000 incremental costs of obtaining the contract arising from the commissions to sales employees because the entity expects to recover those costs through future fees for the consulting services. The entity also pays discretionary annual bonuses to sales supervisors based on annual sales targets, overall profitability of the entity, and individual performance evaluations. In accordance with paragraph [340-40-25-1](#), the entity does not recognize an asset for the bonuses paid to sales supervisors because the bonuses are not incremental to obtaining a contract. The amounts are discretionary and are based on other factors, including the profitability of the entity and the individuals' performance. The bonuses are not directly attributable to identifiable contracts.

55-4

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

The entity observes that the external legal fees and travel costs would have been incurred regardless of whether the contract was obtained. Therefore, in accordance with paragraph [340-40-25-3](#), those costs are recognized as expenses when incurred, unless they are within the scope of another Topic, in which case, the guidance in that Topic applies.

Example 2—Costs That Give Rise to an Asset

55-5

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

An entity enters into a service contract to manage a customer's information technology data center for five years. The

contract is renewable for subsequent one-year periods. The average customer term is seven years. The entity pays an employee a \$10,000 sales commission upon the customer signing the contract. Before providing the services, the entity designs and builds a technology platform for the entity's internal use that interfaces with the customer's systems. That platform is not transferred to the customer but will be used to deliver services to the customer.

Incremental Costs of Obtaining a Contract

55-6

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

In accordance with paragraph [340-40-25-1](#), the entity recognizes an asset for the \$10,000 incremental costs of obtaining the contract for the sales commission because the entity expects to recover those costs through future fees for the services to be provided. The entity amortizes the asset over seven years in accordance with paragraph [340-40-35-1](#) because the asset relates to the services transferred to the customer during the contract term of five years and the entity anticipates that the contract will be renewed for two subsequent one-year periods.

Costs to Fulfill a Contract

55-7

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

The initial costs incurred to set up the technology platform are as follows:

Design services	\$ 40,000
Hardware	120,000
Software	90,000
Migration and testing of data center	100,000
Total costs	<u>\$ 350,000</u>

55-8

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

The initial setup costs relate primarily to activities to fulfill the contract but do not transfer goods or services to the customer. The entity accounts for the initial setup costs as follows:

- a Hardware costs—accounted for in accordance with Topic [360](#) on property, plant, and equipment
- b Software costs—accounted for in accordance with Subtopic [350-40](#) on internal-use software
- c Costs of the design, migration, and testing of the data center—assessed in accordance with paragraph [340-40-25-5](#) to determine whether an asset can be recognized for the costs to fulfill the contract. Any resulting asset would be amortized on a systematic basis over the seven-year period (that is, the five-year contract term and two anticipated one-year renewal periods) that the entity expects to provide services related to the data center.

55-9

Pending Content

Transition Date:(P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:**[606-10-65-1](#)

In addition to the initial costs to set up the technology platform, the entity also assigns two employees who are primarily responsible for providing the service to the customer. Although the costs for these two employees are incurred as part of providing the service to the customer, the entity concludes that the costs do not generate or enhance resources of the entity (see paragraph [340-40-25-5\(b\)](#)). Therefore, the costs do not meet the criteria in paragraph [340-40-25-5](#) and cannot be recognized as an asset using this Topic. In accordance with paragraph [340-40-25-8](#), the entity recognizes the payroll expense for these two employees when incurred.

60 Relationships

General Note

The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

General

Revenue from Contracts with Customers

60-1

Pending Content

Transition Date: (P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:** [606-10-65-1](#)

For guidance on [revenue](#) from [contracts](#) with [customers](#), see Topic [606](#).

Financial Services—Insurance

60-2

Pending Content

Transition Date: (P) December 15, 2016; (N) December 15, 2018 | **Transition Guidance:** [606-10-65-1](#)

For guidance regarding direct response advertising costs, see Subtopic [944-30](#).