

STAFF PAPER

June 2017

IASB Meeting

Project	Rate-regulated Activities		
Paper topic	Cover note		
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Purpose of the education session

1. The purpose of this education session is to continue developing the underlying basis for a new accounting model (the model) for rate-regulated activities. The discussion will focus on the pattern and timing of derecognition of regulatory assets and liabilities as rights are consumed and obligations are fulfilled.
2. The papers for this meeting, which should be read in conjunction with each other, include:
 - (a) **Agenda Paper 9A—Update of the Board’s discussions:** This paper summarises the topics the Board discussed in its April and May 2017 meetings, together with a summary of the research that underpins the descriptions of defined rate regulation. This paper is provided for information only.
 - (b) **Agenda Paper 9B—Rate adjustment examples:** This paper uses numerical examples to show how the model recognises, as regulatory assets and liabilities, the rights and obligations arising from the rate-adjustment mechanism. The paper also shows how the model derecognises those regulatory assets and liabilities as the rights are consumed and the obligations are fulfilled.