



Project **Rate-regulated activities**

Topic **Cover note**

---

## Background

1. In December 2008, the Board decided to add to its agenda a project on rate-regulated activities (see Board paper 12 from the December 2008 meeting). The issue was whether entities with such activities could or should recognise an asset or a liability as a result of rate regulation imposed by regulatory bodies or governments.
2. In February 2009, the Board discussed the scope of the project (see Board paper RRA-0902b09) and decided that two criteria should define the rate-regulated activities that are in the scope of this project:
  - (a) an authorised body is empowered to establish rates that bind customers; and
  - (b) the rate regulation takes the form of a cost-of-service regulation.

## Objectives of this meeting

3. The objectives of this meeting are to:
  - (a) reach decisions on the remaining major issues in the project;
  - (b) obtain Board guidance on additional material that should be included in the standard to clarify the scope;
  - (c) obtain approval for the staff to begin drafting a pre-ballot document;
  - (d) determine if at this time any Board members intend to dissent to this exposure draft; and
  - (e) discuss the project plan timing.
4. The staff will present the following papers:

---

This paper has been prepared by the technical staff of the IASB for the purposes of discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper and do not purport to represent the views of any individual members of the Board or the IASB.

Decisions made by the Board are reported in IASB *Update*.

Official pronouncements of the IASB are published only after the Board has completed its full due process, including appropriate public consultation and formal voting procedures.

## IASB Staff paper

- 9 Cover note (this paper, inclusive of Appendix A, project timetable)
  - 9A Recognition and measurement
  - 9B Presentation and disclosure requirements
  - 9C Scope – additional considerations
5. The staff has identified a few issues that will not be discussed at this meeting (for example, transition requirements). The staff plans to include them in the pre-ballot draft to be distributed to the Board in May and highlight them in the cover note to that draft. They will also be presented as sweep issues for the Board to discuss in June along with other issues that are identified in the Board’s consideration of the pre-ballot draft. The staff proposes this approach as the most effective way to meet the objective of issuing the exposure draft in early July.

### Recommendation and question 1 – Approval for drafting

For the reasons outlined in paragraph 5, the staff recommends that the Board give its approval for the staff to begin drafting an exposure document. Does the Board approve?

### Question 2 – Intent to Dissent

Based on the decisions the Board has made to date in this project, do any Board members intend to dissent for the issue of the exposure draft? If yes, the staff will liaise with the Board member to obtain a draft dissent from the Board member for inclusion within the draft document.

## Project timetable

6. See Appendix A for the proposed timetable.

### Project timetable

Does the Board agree with the project timetable proposed by the staff in Appendix A to this paper?

## Appendix A – Project Timetable

A1. The staff proposes the following project timetable:

<b>Date</b>	<b>Project Milestone</b>
April 2009	Major decisions finalised
May 2009	Pre-ballot draft provided to Board members
June 2009	Board meeting to discuss remaining technical issues and any other sweep issues
July 2009	Publication of exposure draft with 120-day comment period
November 2009	Comment letter due date
January 2010	Begin redeliberation of comment letter analysis
June 2010	Publication of final standard
January 2011	Effective date