

International Financial Reporting Standards

Rate-regulated Activities Consultative Group meeting, 15 November 2013
Agenda paper 6

Rate-regulated Activities: Research project update

Friday 15 November 2013

The views expressed in this presentation are those of the presenter,
not necessarily those of the IASB or IFRS Foundation.

Agenda

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- Background
- Rate Regulation Discussion Paper
 - Issues to be addressed
- Project timeline and next steps
- Q&A

The new Rate-regulated Activities project

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IASB started renewed
Rate-regulated Activities
project in September
2012

2 distinct paths

Short-term interim solution
(Exposure Draft (ED) *Regulatory
Deferral Accounts* published in
April 2013 – deadline for
comment 4 September 2013)

Longer-term comprehensive
project (starting with a research
phase to develop a Discussion
Paper (DP))

Rate-regulated Activities DP

More research is needed on the nature of different types of rate regulation

- Request for Information-*Rate Regulation* (issued in March 2013 – deadline for responses 30 May 2013)

Responses will feed into the DP:

- what information about the effects of rate regulation are most useful to users
- does rate regulation create assets/liabilities (link to restarted *Conceptual Framework* project)

Issues to be addressed in the DP*

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- What do we mean by “rate regulation” and should we define it?
- What should be the scope of any guidance on Rate-regulated Activities?
- Do any of the rights and obligations created by rate regulation meet the definitions of assets and liabilities in the IFRS *Conceptual Framework*?
- If so, what type of asset, liability or combination of assets and liabilities are created?
- For any assets or liabilities identified, what are the relative advantages and disadvantages of alternative accounting models for recognition and measurement?

*These issues were identified by the IASB in the December 2012 meeting (see Agenda Paper 6A).

Issues to be addressed in the DP

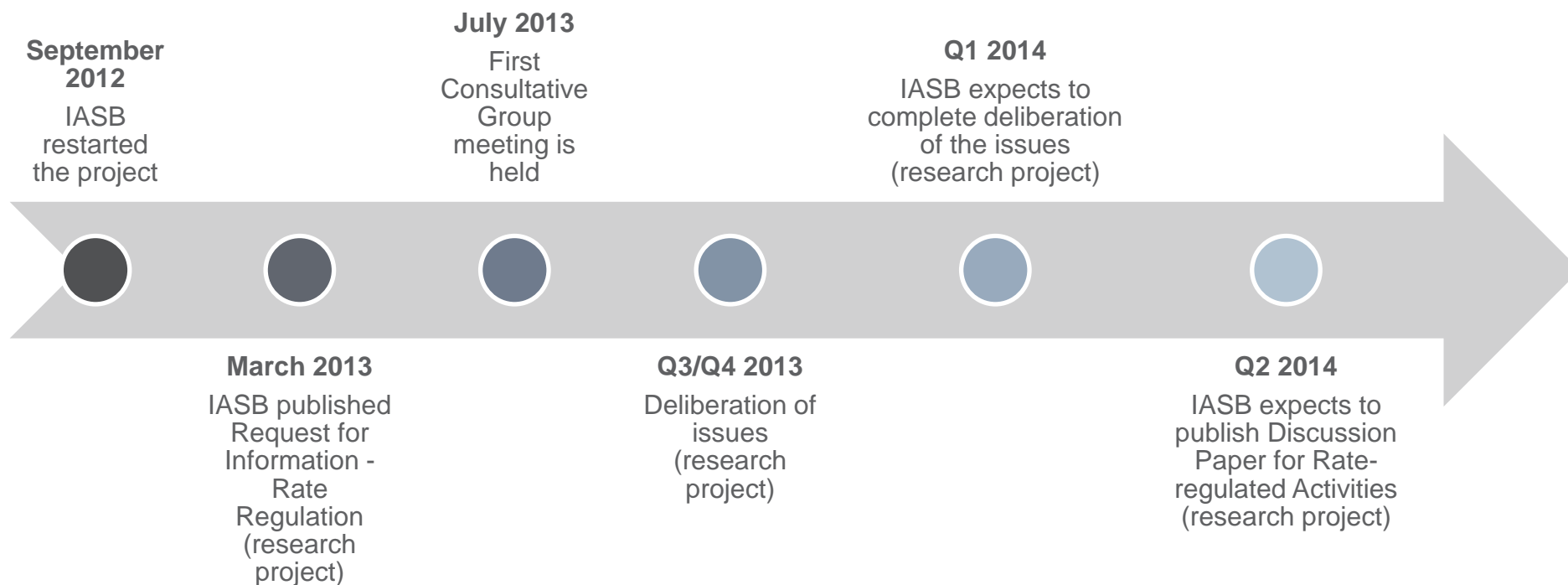
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(Continued:)

- How should any regulatory assets and regulatory liabilities recognised be presented in the financial statements?
- What disclosures are needed to help users understand the impact of rate regulation on the financial position, performance and cash flows of the rate-regulated entity?
- If the conclusion is that rate regulation does not create additional assets and liabilities to be recognised, what information about the rate regulation needs to be presented, and how should this be done?

Rate-regulated activities project timeline

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Where to go for more information

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- Rate-regulated Activities project page on the IFRS website
 - <http://www.ifrs.org/Current-Projects/IASB-Projects/Rate-regulated-activities/Pages/Rate-regulated-activities-landing.aspx>

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Thank you

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