

STAFF PAPER

December 2017

IASB Meeting

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

1. The purpose of this session is to:
 - (a) inform the Board about the key messages received from members of the Consultative Group for Rate Regulation (CGRR) at the meeting held on 26 October 2017 (see **Agenda Paper 9A—Summary of the messages received from the Consultative Group**);¹ and
 - (b) provide the Board with an update of our proposed timetable for developing the next consultative document for the project.

Revised timetable

2. During 2017, the Board's discussions to develop a new accounting model for rate regulation have raised several conceptual and operational issues. So far, the Board has not decided whether the next consultative document should be a Discussion Paper or an Exposure Draft.

¹ The papers discussed with the Consultative Group for Rate Regulation can be found at: <http://www.ifrs.org/news-and-events/calendar/2017/october/consultative-group-for-rate-regulation/>

3. Following the CGRR meeting, through which CGRR members provided valuable input to operational issues, we are encouraged to develop an Exposure Draft as the next consultative document. Consequently, we have reviewed our plans for discussions with Board during 2018.
4. During the first quarter of 2018 (Q1 2018), we aim to focus discussions on conceptual issues around the nature of the rights and obligations created by the rate-adjustment mechanism. Those rights and obligations drive proposals for the general approach of the model, and in particular the scope and recognition requirements.
5. We will then ask the Board whether to continue to develop proposals for an Exposure Draft or, instead, to develop a higher level overview of the model for consultation through a Discussion Paper. We anticipate publication of the next consultative document in 2019.