

STAFF PAPER

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IASB Meeting—Education session

Project	Rate-regulated Activities		
Paper topic	Cover note		
CONTACT(S)	Jane Pike	jpik@ifrs.org	+44 (0)20 7246 6925

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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 factors to consider when selecting a measurement basis for regulatory assets that arise when the entity incurs allowable costs that will be included in the rate-adjustment mechanism and be billed to customers through the future rate.
2. The papers for this meeting include:
 - (a) **Agenda Paper 9A—Update of the Board’s discussions:** The paper summarises the topics the Board discussed in its April-July 2017 meetings, together with a summary of the research and stakeholder feedback that underpins the description of defined rate regulation. This paper is provided for information only.
 - (b) **Agenda Paper 9A: Developing the model—measurement of regulatory assets:** The paper explores measurement issues to help identify factors to support future recommendations for the selection of a measurement basis for regulatory assets. The analysis focuses on a regulatory asset that arises when an entity incurs costs as it carries out a

required activity delivering regulated goods or services to customers and the regulatory agreement gives the entity a right to increase the rate charged to customers to the extent needed to recover those costs.