

## STAFF PAPER

September 2017

## IASB Meeting—Education session

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

This paper has been prepared for discussion at a public meeting of International Accounting Standards Board (the Board). The views expressed in this paper do not represent the views of the Board or any individual member of the Board. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB® *Update*.

**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.