STAFF PAPER

May 2022

IASB® meeting

Project	Rate-regulated Activities	
Paper topic	Consultative Group for Rate Regulation meetings	
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Objective

1. This paper includes the summary notes for the Consultative Group for Rate Regulation (CGRR) meetings held on:

   (a) 4 March 2022. At that meeting the CGRR discussed how the IASB could respond to feedback on its proposals on regulatory returns on construction-work-in progress—(pages 2−7); and

   (b) 28 March 2022. At that meeting the CGRR discussed how the IASB could respond to feedback on its proposals on the accounting for regulatory assets and regulatory liabilities arising from differences between the recovery pace of the regulatory asset base and the assets' useful lives—(pages 8−15).

2. These notes are for information only. We are not asking the IASB to make decisions on this paper.

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4 March 2022

Meeting Notes—Consultative Group for Rate Regulation

The Consultative Group for Rate Regulation (CGRR) held a virtual meeting on 4 March 2022. This note is prepared by the staff of the International Accounting Standards Board (IASB) and summarises the discussion.[1]

About this meeting

1. The purpose of the meeting was to explore possible courses of action the IASB may consider in responding to the feedback and redeliberating its proposal on regulatory returns on construction-work-in-progress (CWIP).

2. Meeting participants were as follow:

Name	***Organisation***	***Country/Region***
Giorgio Acunzo	Ernst & Young	Italy
Eric Chan	CLP Power Hong Kong Limited	Hong Kong
Leonardo George de Magalhães	Companhia Energética de Minas Gerais (Cemig)	Brazil
Jesús Herranz Lumbreras	Ferrovial SA	Spain
John Leotta	Deloitte Touche Tohmatsu	Australia
Richard McCabe	AltaLink Management Ltd	Canada
Christopher McCusker	National Grid	USA
Sureta Moolman	Eskom Holdings SOC Ltd	South Africa
Pascale Mourvillier	PAM Expertise	France
Tim Murray	RBC Capital Markets, Royal Bank of Canada	Canada
Michel Picard	KPMG	Canada
Christina Scharf	TenneT Holding B.V.	Germany
Michael Timar	PricewaterhouseCoopers	United Kingdom
Stefanie Voelz (observer)	Moody's Investors Service Ltd	United Kingdom
	European Financial Reporting Advisory Group (EFRAG) (observer)	Europe

3. This note is structured as follows:

    a. background (paragraphs 4–8);

    b. goods or services supplied (paragraphs 9–10);

[1] The papers discussed with the Consultative Group for Rate Regulation can be found here. A full recording of the meeting is available on the IFRS Foundation® website.

c. courses of action 1 and 2 (paragraphs 11–13);

d. course of action 3 (paragraph 14);

e. courses of action 4 and 5 (paragraphs 15–16); and

f. other comments (paragraphs 17–19).

Background

4. The staff provided an overview of [Agenda Paper 2] and summarised the possible courses of action the IASB could take in relation to its proposal on regulatory returns on construction work-in-progress (CWIP).

5. Paragraph B15 of the Exposure Draft proposes that:

   a. regulatory returns on construction work-in-progress should form part of total allowed compensation for goods or services supplied once the asset is available for use and over the remaining periods in which the entity recovers the carrying amount of the asset through the regulated rates; and

   b. an entity uses a reasonable and supportable basis in determining how to allocate the return on that asset over those remaining periods and it applies that basis consistently.

6. The Board concluded that the proposal in paragraph B15 is consistent with the principle underlying the model because no goods or services are being supplied using an asset before it is available for use.[2]

7. The possible courses of action are as follows:

   a. course of action 1: expand the scope of the Standard to include rights and obligations that are not regulatory assets and regulatory liabilities;

   b. course of action 2: broaden the notion of 'goods or services supplied' to include satisfying service requirements specified by a regulatory agreement;

   c. course of action 3: remove paragraph B15 of the Exposure Draft which specifies the required treatment for regulatory returns on CWIP;

   d. course of action 4: confirm the proposal; and

   e. course of action 5: narrow the application of the proposal to long-duration construction projects.

8. The staff asked members whether:

[2] The underlying principle of the model in the Exposure Draft is that an entity shall reflect the total allowed compensation for goods or services supplied as part of its reported financial performance for the period in which those goods or services are supplied.

a. the staff have correctly analysed the pros and cons of each course of action;

b. there are implementation issues that the staff should be aware of; and

c. there are any other potential courses of action that the staff should consider.

Goods or services supplied

9. Many members said that during the construction period regulated entities are providing services, such as:

   a. designing, building, maintaining and expanding the infrastructure;

   b. making the infrastructure available at all times; and

   c. financing—returns represent reimbursement for funding costs incurred during construction.

10. A few members added that:

    a. the goods or services are not limited to the commodity supplied—services of the types described in paragraph 9 are provided even before an asset comes into operation;

    b. entities' entitlement to returns on CWIP does not depend on whether the construction of the assets is completed—ie, the finalisation of the construction of the asset is not a condition for an entity's right to receive returns on CWIP. This supports the recognition of returns on CWIP during the construction period and not during its operation.

Courses of action 1 and 2

11. These were the preferred courses of actions among members of the Consultative Group. The following paragraphs summarise the comments made for both courses of action.

12. Course of action 1—some members said this course of action would address the concerns raised by respondents to the Exposure Draft and therefore could be a workable solution. However, a few members said:

    a. expanding the scope could have unintended consequences that could take time to identify and understand;

    b. there is no need to expand the scope of the proposals because during the construction period the regulator has approved the returns on CWIP to which an entity is entitled. For entities subject to regulatory schemes that allow an entity to include those returns in the rates charged during the operation of the asset, entities already have an enforceable present right that fulfils the definition of a regulatory asset;

    c. this course of action may reduce the understandability of an entity's performance. This is because this course of action would introduce a new type of income arising from the right to accrue regulatory returns on CWIP. This new item of income would need to be considered along with the revenue and regulatory income minus regulatory expense line items when assessing an entity's performance; and

d. course of action 1 could give rise to implementation issues because entities would need to accrue regulatory returns on an individual asset basis during the construction period of each asset. According to this member, this would require more effort than including returns on CWIP in the statement of profit or loss during the construction period.

13. Course of action 2—members said this course of action would also address the concerns raised by respondents to the Exposure Draft and therefore could be a workable solution. As mentioned above, many members expressed the view that building, maintaining, expanding and making the infrastructure available are services regulated entities provide during the construction period. A few members also said:

a. the recognition of regulatory returns on CWIP during construction would better reflect an entity's performance in accordance with the regulatory agreement than the proposals in the Exposure Draft;

b. course of action 2 would not conflict with the decision made when developing IFRS 15 *Revenue from Contracts with Customers* to avoid an activity-based model for revenue recognition in the absence of a contract with customers (see paragraphs BC16–BC24 of IFRS 15). This member said that over the construction period, the regulator could be viewed as entering into a regulatory agreement on behalf of the 'customer base', whereby the entity is required to build infrastructure. Consequently, during the construction period the entity provides services to that customer base. During construction, an individual customer cannot enter into a contract with the entity and demand for the fulfilment of the construction promise. However, in the operating phase the individual customer can enter into a contract with the entity. The disadvantage of this suggestion is that it would require the IASB to develop the notion of 'customer base';

c. this course of action should not provide opportunities for preparers to manage income recognition because regulatory agreements are typically clear about the nature of an entity's rights and obligations; and

d. in developing this approach the IASB would need to consider whether expanding the notion of goods or services would be consistent with the performance obligation concept in IFRS 15.

Course of action 3

14. Many members said that course of action 3 is a workable solution. However, some members also said that:

a. they were concerned this course of action would give rise to different outcomes depending on whether regulators allowed entities to include returns on CWIP in rates charged during the construction period or during the operating period. For these members, for course of action 3 to be a workable solution it would require the notion of goods or services to include goods or services supplied during the construction period;

b. a few members suggested redrafting the proposed requirement in paragraph B15 of the Exposure Draft to allow entities to reflect returns on CWIP in profit or loss during the construction period (instead of prohibiting entities to do so); and

c. for entities that are only allowed to include returns on CWIP in the rates charged during the operating period, this course of action would result in outcomes inconsistent to the proposed treatment for construction-related performance incentives.

Courses of action 4 and 5

15. No members of the Consultative Group supported courses of action 4 or 5. Members stated that these courses of action would not respond to respondents' main concerns about the proposals for returns on CWIP.

16. In relation to course of action 5, a few members said:

a. it would not address the concerns of entities with long-term construction projects; and

b. it could create two types of regulated entities: those that mainly carry out short-term construction projects and those that mainly carry out long-term construction projects. According to this member, this could have unintended consequences—for example, would an entity carrying out short-term construction projects avoid long-term construction projects because of the accounting consequences? This option could result in also a lack of comparability between these two entity types and provide opportunities for earnings management.

Other comments

17. A member commented that regulated entities are significantly different to commercial entities. In the case of regulated entities, they carry out social responsibilities, their earnings are limited however they also enjoy some financial protection. This member said that trying to apply accounting concepts developed for commercial entities may not necessarily work for regulated entities.

18. A few members said the Exposure Draft considered assets under construction on an individual basis. However, assets under construction should be considered on a portfolio basis (ie they form part of a wider network of assets). Consequently, returns on CWIP are based on a portfolio of assets, not on assets considered on an individual basis.

19. A few members also said:

a. the final Standard should result in information about performance that reflects the substance of the regulatory agreements. This member also suggested the final Standard use similar performance reporting principles to those in IFRS 15.

b. it is important the final Standard provides guidance for entities to report movements in regulatory assets and regulatory liabilities in the statement of cash flows so that this is done in a consistent and comparable manner.

c. when customers pay for the regulated goods or services, they are not only paying for the goods or services they receive but also for the promise the regulated entity would keep providing goods or services in the future. This is a key difference between regulated entities and non-regulated entities that, according to this member, would support, in the case of regulated entities, the recognition of revenue during the construction period.

d. the final Standard would generate information that could conceal the stewardship and accountability responsibility of directors because during the construction period the entity would incur in losses regardless of whether it is complying with the regulatory agreement.

Next steps

20. At a next meeting, the staff plans to discuss with the Consultative Group the proposed accounting for regulatory assets or regulatory liabilities arising from differences between the regulatory recovery period and assets' useful lives (paragraphs B3–B9 of the Exposure Draft and Illustrative Examples IE2B and IE2C accompanying the Exposure Draft).

28 March 2022

Meeting Notes—Consultative Group for Rate Regulation

The Consultative Group for Rate Regulation (CGRR) held a virtual meeting on 28 March 2022. These notes are prepared by the staff of the International Accounting Standards Board (IASB) and summarise the discussion.[1]

About this meeting

1. The purpose of the meeting was to explore how the IASB might respond to feedback on its proposals on the accounting for regulatory assets and regulatory liabilities arising from differences between the recovery pace of the regulatory asset base[2] and the assets' useful lives.

2. Meeting participants:

Name	***Organisation***	***Country/Region***
Giorgio Acunzo	Ernst & Young	Italy
Eric Chan	CLP Power Hong Kong Limited	Hong Kong
Anil Kumar Gautam	NTPC Ltd	India
Leonardo George de Magalhães	Companhia Energética de Minas Gerais	Brazil
John Leotta	Deloitte Touche Tohmatsu	Australia
Richard McCabe	Consultant for Electricity Canada	Canada
Christopher McCusker	National Grid	USA
Sureta Moolman	Eskom Holdings SOC Ltd	South Africa
Tim Murray	RBC Capital Markets, Royal Bank of Canada	Canada
Michel Picard	KPMG	Canada
Christina Scharf	TenneT Holding B.V.	Germany
Silvia Blanco Sánchez[3]	Ferrovial SA	Spain
Michael Timar	PricewaterhouseCoopers	United Kingdom
Yeshvir Singh	Fitch Ratings	United Kingdom
Stefanie Voelz (observer)	Moody's Investors Service Ltd	United Kingdom
	European Financial Reporting Advisory Group (observer)	Europe

[1] The papers discussed with the Consultative Group for Rate Regulation can be found here. A full recording of the meeting is available on the IFRS Foundation's® website.

[2] The Exposure Draft referred to the 'regulatory asset base' as the 'regulatory capital base'. Other common terms are 'regulatory asset value' or 'regulatory capital value'.

[3] Replacing Jesús Herranz Lumbreras at this meeting.

3. Meeting notes structure:

   a. background (paragraphs 4–8);

   b. the regulatory asset base and an entity's assets (paragraphs 9–10);

   c. course of action 1 (paragraphs 11–16);

   d. courses of action 2 and 3 (paragraphs 17–21);

   e. other comments (paragraphs 22–24); and

   f. next steps (paragraph 25).

Background

4. The staff summarised Agenda Paper 1 and possible courses of action the IASB could take in relation to its proposal on accounting for regulatory assets and regulatory liabilities arising from differences between the regulatory asset base's recovery pace and the assets' useful lives.

5. Paragraph B7 of the Exposure Draft *Regulatory Assets and Regulatory Liabilities* proposes that:

> … IAS 16 *Property, Plant and Equipment* specifies how to allocate the depreciable amount of an item of plant on a systematic basis over its useful life. *If a regulatory agreement allows an entity to recover the cost of an asset through the regulated rates charged to customers, the depreciation expense recognised in a period*, by applying IAS 16, is an *allowable expense* and the amount that recovers that depreciation expense forms part of the total allowed compensation for goods or services supplied in the same period. *That is the case even if, under the terms of the regulatory agreement, the recovery of the depreciation expense occurs in a different period*—for example, if the regulatory agreement uses a longer or shorter period of recovery than the asset's useful life [emphasis added].

6. Agenda Paper 1 also included an overview of the comments received from respondents to the Exposure Draft. Some comments from respondents are relevant to discussions on the possible courses of action, for example:

   a. the Exposure Draft proposes that differences between the regulatory asset base's recovery pace and the assets' useful lives would give rise to differences in timing that would be accounted for as regulatory assets or regulatory liabilities. These differences in timing would not represent adjustments to future rates. Some respondents referred to these differences in timing as 'non-cash differences in timing'. Some respondents said these regulatory assets or regulatory liabilities would not result in useful information.

   b. respondents subject to incentive-based schemes said an entity's regulatory asset base cannot be linked or reconciled to the fixed asset register the entity uses for accounting. These respondents said the recognition of the regulatory depreciation (that is, the regulatory compensation to recover the regulatory asset base) should be based on the regulatory agreement, instead of when accounting depreciation is recognised.

7. The possible courses of action available to the IASB include:

   a. *course of action 1*—to consider the relationship between regulatory depreciation and accounting depreciation. This course of action would require that an entity determine whether there is a direct relationship between the regulatory compensation (regulatory depreciation) and the underlying expense (depreciation expense). If the entity were to conclude there is no direct relationship, the entity would not be required to account for regulatory assets or regulatory liabilities but to disclose specific information.

b. *course of action 2*—to make an overall calculation based on comparable regulatory and accounting bases. This course of action would be aimed at identifying differences in timing by comparing the regulatory asset base and the entity's total assets.

c. *course of action 3*—to confirm the proposals.

8. The staff asked members:

   a. whether the staff has correctly analysed the pros and cons of each course of action.

   b. whether any implementation issues might arise if the IASB took courses of action 1 or 2.

   c. whether the indicators suggested for course of action 1 are appropriate.

   d. whether the suggested disclosures are appropriate for entities that do not account for regulatory assets or regulatory liabilities in accordance with course of action 1.

   e. whether the staff should consider any other potential courses of action.

   f. how common it is for a regulatory agreement to allow an entity to include amounts in rates charged during the construction of an asset that recover part of the carrying amount of the asset. The staff also asked members whether any information resulting from this fact pattern would be useful for users of financial statements.

The regulatory asset base and an entity's assets

9. A few members from jurisdictions where entities are subject to incentive-based schemes noted that it is unusual for the entity's asset base to have a direct relationship with the regulatory asset base. Consequently, comparisons between these two bases may not be meaningful. For these members, recognising regulatory assets and regulatory liabilities for differences between the regulatory recovery pace and the assets' useful lives would not result in useful information.

10. A few members from jurisdictions where entities are subject to regulatory schemes that are cost-based or similar to cost-based schemes commented on the relationship between the regulatory asset base and an entity's assets. They said that typically, the regulatory asset base is directly related to an entity's assets and that, therefore, the regulatory depreciation is directly related to the accounting depreciation. These members said entities in those jurisdictions are generally required to reconcile accounting and regulatory fixed asset registers regularly.

Course of action 1

11. Almost all members preferred course of action 1. Some members said course of action 1:

    a. is consistent with a principles-based approach that can be applied to different regulatory schemes.

    b. is aligned with the concept of differences in timing, which is at the core of the model and:

       i. would not create links between the regulatory compensation (regulatory depreciation) and an item of expense (depreciation expense) when none existed. They said that when regulatory compensation is unrelated to accounting depreciation, disclosures would provide useful information.

ii. would result in information about the differences between the regulatory asset base's recovery pace and the assets' useful lives when there is a direct relationship between regulatory depreciation and accounting depreciation. Entities taking this course of action would be required to account for the corresponding regulatory assets and regulatory liabilities.

12. A few members, including members that are users of financial statements, said that users' analyses focus on the impact of rate regulation on future cash flows (that is, cash differences in timing). For users it is important to know the amount of the regulatory depreciation that has flowed into revenue and will turn to cash flows and how that amount differs from the accounting depreciation. One of those members preferred that an entity should be required to account for regulatory assets or regulatory liabilities arising from cash differences in timing only.

13. A member preferring course of action 1 said this course of action would not necessarily address the root cause of the problem, which is the way total allowed compensation is described in the proposed application guidance. According to this member, the Exposure Draft assumes that all regulatory regimes aim to entitle entities to recover their costs and, consequently, that the recovery of cost is directly related to revenue. However, some regulatory schemes give entities an allowed revenue that does not guarantee the recovery of costs while other regulatory schemes are hybrid schemes (that is, schemes that give the entity an allowed revenue and pass-through costs). For this member, focusing only on whether there is a direct relationship between regulatory depreciation and accounting depreciation may not address the root cause of the problem because that relationship might be just one of many problematic issues in the proposed application guidance. This member suggested the guidance state that total allowed compensation comprises allowable expenses and target profit or allowed revenue for the provision of goods or services for a specified period. Entities would then need to apply judgment to determine which components of total allowed compensation are relevant to them for the purposes of identifying differences in timing.

14. A few members commented on the indicators that course of action 1 suggest entities could use to determine when linking regulatory depreciation to accounting depreciation. They said:

a. the indicators are reasonable and that entities can use them to determine that there is no direct relationship between regulatory depreciation and accounting depreciation.

b. the descriptions of the indicators raise some questions. For example, it is unclear what is meant by the italicised words in the phrases 'the regulatory asset base departs *significantly* from the assets' and '*not possible* for items in the regulatory asset base to be reconciled to audited financial statements'.

c. the indicators could be supplemented with additional guidance, including specific examples of indicators such as inflation and efficiency adjustments to the regulatory asset base, and different measurement bases between the regulatory asset base and an entity's assets.

15. A few members commented on the information an entity should disclose when it does not account for a regulatory asset or a regulatory liability. They said:

 a. the entity should be required to disclose qualitative information only. When there is no direct relationship between regulatory depreciation and accounting depreciation, it would be very complex and costly to provide quantitative information that reconciles regulatory depreciation to depreciation expense. Quantitative information about links between the regulatory compensation and the accounting depreciation would not be useful for users of financial statements.

 b. examples of useful qualitative information include:

  i. a description of the regulatory schemes and the recovery mechanism for the regulatory asset base disclosed separately for each jurisdiction in which an entity operates.

  ii. an explanation for the lack of a direct relationship between regulatory depreciation and accounting depreciation, the main differences between the value of the regulatory asset base and the carrying amount of the assets, and the key regulatory and accounting assumptions.

  iii. how the regulatory asset base's recovery pace is determined, whether the recovery pace has changed during the period and, if so, the underlying reasons for the change.

  iv. if the regulatory depreciation has not been fully recovered, information about the recoverable amount and any regulatory approval required for the true-up adjustment to the future rates.

16. A few members commented on the pros and cons of course of action 1. They said:

 a. this course of action should also be followed for any other items of expense for which there is no direct relationship between the regulatory compensation and those items of expense.

 b. entities could reach different conclusions about whether there is a direct relationship between regulatory depreciation and accounting depreciation based on the same or similar fact patterns or situations. A few members said:

  i. the IASB could mitigate this risk by providing the right indicators and additional guidance or examples in the Standard.

  ii. if an entity did not account for the related regulatory assets or regulatory liabilities, the information the entity would be required to disclose could mitigate a potential lack of comparability.

  iii. whether a direct relationship exists between regulatory depreciation and accounting depreciation will depend on the regulatory regime—it is largely a matter of fact rather than judgment. Consequently, opportunities to apply judgment to achieve a preferred accounting outcome would be limited. One member said that in their jurisdiction, entities are subject to cost-based regulatory schemes. The assets' regulatory recovery period is subject to a rigorous independent review process. Entities maintain separate regulatory and accounting records of individual assets and submit reconciliations of regulatory assets and accounting assets as part of their regulatory reporting.

Courses of action 2 and 3

17. No members supported course of action 3. Only one member said course of action 2 might be feasible as it requires the reconciliation between the regulatory asset base and an entity's assets to be done at an aggregate level rather than at an asset level. However, this member was concerned about the auditability of the assumptions and the information used when applying this course of action.

18. Many members said both courses of action would require entities to account for regulatory assets and regulatory liabilities even when there is no direct relationship between regulatory depreciation and accounting depreciation. As mentioned in paragraph 15(a), these members said:

    a. a reconciliation of regulatory depreciation to depreciation expense would be very complex and costly; and

    b. the reported regulatory assets and regulatory liabilities would not constitute useful information for users of financial statements.

19. In relation to course of action 2 a few members said:

    a. making the two bases (that is, the regulatory asset base and an entity's total assets) comparable would be complex and costly because:

        i. new variances between the value of the regulatory asset base and the carrying amount of the assets would arise on an ongoing basis, which an entity would need to track.

        ii. following course of action 2 could require an entity to obtain information at a more detailed level than that maintained for regulatory purposes (for example, information aggregated by asset classes and high-level reconciliations). This could be the case even in cases where regulatory depreciation is directly related to accounting depreciation. These members were also concerned about the ease of auditing information at that level of detail.

    b. it is unclear:

        i. why the recovery or fulfilment period of the regulatory asset or regulatory liability should be based on the assets' weighted average useful lives. One member said the resulting regulatory expense or regulatory income is intended to supplement the revenue information, but there is no clear linkage between revenue recognition and the assets' weighted average useful lives.

        ii. how an entity would treat items such as adjustments for inflation and measurement differences that would form part of an entity's total allowed compensation but that would need to be removed to make the bases comparable.

20. Members said course of action 3 would not respond to respondents' concerns and would fail to reflect regulatory schemes other than cost-based schemes. They said the proposed model

assumes a direct relationship between the regulatory compensation and the accounting depreciation, but that this is not always the case.

21. A member said, in addition to the identified disadvantages of courses of action 2 and 3, that entities subject to incentive-based schemes might need to present alternative performance measures reflecting the regulatory compensation.

Other comments

22. A member surveyed 14 stakeholders (preparers, regulators and a user) from the United Kingdom, Australia and Canada and presented the results of the survey.[4] The comments in the paragraphs above also include feedback on the survey. The main messages from the survey were that:

    a. stakeholders based in the United Kingdom and Australia generally supported course of action 1 because, in their view, the relationship between the regulatory asset base and an entity's assets is weak. In addition, some stakeholders in these jurisdictions said the assets or liabilities arising from differences between the regulatory asset base's recovery pace and the assets' useful lives would not meet the definitions of a regulatory asset or a regulatory liability. These stakeholders also said the disclosures for course of action 1 should be minimal and should be qualitative rather than quantitative.

    b. courses of action 2 and 3 did not receive much support from stakeholders from the United Kingdom and Australia because they are complex to apply and could confuse users of financial statements.

Recovery of assets' carrying amounts through rates charged during construction

23. A few members said the fact pattern in which rates charged during the construction of an asset recover part of the carrying amount of the asset is:

    a. common in the regulatory schemes of a jurisdiction in Europe, in which there is no direct relationship between regulatory depreciation and accounting depreciation; and

    b. uncommon in the regulatory schemes of two jurisdictions in North and South America in which there is a direct relationship between regulatory depreciation and accounting depreciation.

24. A member suggested the accounting for a regulatory liability and the related regulatory expense relating to an asset's carrying amount recovered during construction would be inconsistent with the requirements in *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to IAS 16). Those amendments require an entity to recognise in profit or loss the proceeds from selling and the cost of any items produced while bringing an asset to the location and condition necessary for its intended use. According to that member, if part of the asset's carrying amount recovered during construction was recognised in revenue as a result of goods or services already supplied, in accordance with IFRS 15 *Revenue from Contracts with*

[4] The presentation from this member of the CGRR can be found here.

Customers, it was unclear why the entity should be required to defer recognising the effects of that amount in profit or loss by recognising a regulatory liability.

Next steps

25. The staff will analyse the feedback received from the members of the CGRR on the topics discussed at the meeting held on 4 March 2022 and at this meeting. The staff may also consult the CGRR or individual members of the CGRR on specific matters.