



May 2026

Project Summary

IFRS[®] Accounting Standards

IFRS 20 Regulatory Assets and Regulatory Liabilities



What is the purpose of this Project Summary?

This Project Summary provides an overview of the main requirements in IFRS 20 *Regulatory Assets and Regulatory Liabilities*. IFRS 20 helps to fill a gap in financial reporting by requiring a company subject to a specific type of rate regulation to recognise some of the effects of that rate regulation in its financial statements as regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

This document starts with an illustration of how rate regulation gives rise to regulatory assets, regulatory liabilities, regulatory income and regulatory expense. It then summarises the objective and scope of IFRS 20 and describes how a company applies IFRS 20 in conjunction with other IFRS Accounting Standards. This document then goes on to explain two key terms introduced by IFRS 20 (namely 'differences in timing' and 'total allowed compensation') and the new requirements for recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

This document will help readers to understand how IFRS 20 will provide better information to users of financial statements (hereafter, referred to as 'investors') and improve comparability between companies in regulated industries, such as utilities and energy.

At a glance

The International Accounting Standards Board (IASB) issued IFRS 20 *Regulatory Assets and Regulatory Liabilities* in May 2026.

IFRS 20 helps to fill a gap in IFRS Accounting Standards by providing more complete information about the compensation a company is entitled to for regulatory goods or services that it supplies in a period (thereby giving a more complete picture of the revenue earned from those goods or services).

This information will enable investors to better assess a company's financial performance, financial position and prospects for future cash flows, thereby facilitating better decision-making. It will also improve comparability between companies.

IFRS 20 is effective from 1 January 2029. Companies are permitted to apply IFRS 20 early. IFRS 20 supersedes IFRS 14 *Regulatory Deferral Accounts*.

IFRS 20 focuses on a type of rate regulation that:

- entitles a company to an **amount of compensation** for regulatory goods or services supplied in a period (**total allowed compensation**); and
- specifies **the timing** of when that compensation is charged to customers through the regulated rates.

This type of rate regulation can give rise to differences in timing.

A **difference in timing** arises if part or all of the total allowed compensation for regulatory goods or services supplied in one reporting period is included in determining the regulated rates charged to customers in a **different period**.

This type of rate regulation is common in some industries—for example, utilities and energy.

Improved financial reporting

IFRS 20 requires a company to account for the effects of differences in timing through the recognition of regulatory assets and regulatory liabilities and related regulatory income and regulatory expense.

IFRS 20 is expected to reduce diversity in accounting practices and give investors a better understanding of:

- the **compensation** a company is entitled to for regulatory goods or services supplied in a reporting period, which will provide insights into the company's **financial performance** and **prospects for future cash flows**; and
- a company's **regulatory assets** and **regulatory liabilities**, which will provide insights into the company's **financial position** at the reporting date and the **amount, timing and uncertainty** of its **future cash flows**.

Why investors need information about differences in timing— An illustration

This example illustrates why information about differences in timing is important for investors to understand a company's financial performance and financial position and how applying IFRS 20 will assist in providing that information.

Fact pattern

A regulatory agreement entitles Company A to recover input costs it incurs in supplying regulatory goods or services.

Company A charges customers a regulated rate in Year 1 based on estimated input costs of CU100.¹ However, actual input costs for Year 1 were CU120.

According to the regulatory agreement, Company A has an enforceable right to add the under-recovered costs in Year 1 in determining the regulated rate to be charged to customers in Year 2.

Therefore, in Year 2 the regulator determines the regulated rate so that Company A recovers the estimated input costs of CU100 for Year 2 plus the input costs under-recovered in Year 1 (CU20)—that is, a total of CU120 (CU100 + CU20). A difference in timing arises because compensation for the regulatory goods or services Company A supplied in Year 1 will be added in determining the regulated rates to be charged to customers in Year 2.

Estimated and actual input costs for Year 2 were CU100.

What is the problem?

Table 1—Lack of information about differences in timing

In CU	Year 1	Year 2
IFRS 15 revenue ²	100	120
Input costs	(120)	(100)
Profit (loss)	(20)	20

Without information about differences in timing, an investor might conclude that Company A underperformed in Year 1 and overperformed in Year 2 because:

- revenue recognised applying IFRS 15 *Revenue from Contracts with Customers* (IFRS 15 revenue) in Year 1 does not include compensation of CU20 related to regulatory goods or services supplied in that year; and
- IFRS 15 revenue in Year 2 includes compensation of CU20 related to regulatory goods or services supplied in Year 1.

¹ Monetary amounts are denominated in 'currency units' (CU).

² This line reflects the amounts Company A recognises as revenue applying IFRS 15 *Revenue from Contracts with Customers*.

How does IFRS 20 solve the problem?

Table 2—Information about differences in timing

In CU	Year 1	Year 2
IFRS 15 revenue	100	120
Regulatory income (regulatory expense)	20	(20)
Total revenue	120	100
Input costs	(120)	(100)
Profit (loss)	—	—

In CU	Year 1	Year 2
Regulatory asset	20	—

By requiring a company to account for the effects of differences in timing, IFRS 20 will improve investors' understanding of the compensation the company is entitled to for regulatory goods or services it supplies in a period.

Applying IFRS 20, Company A will be required:

- to recognise regulatory income of CU20 in Year 1 to reflect compensation for regulatory goods or services supplied in Year 1, which will be added in determining the regulated rate to be charged to customers in Year 2—and hence included in IFRS 15 revenue in Year 2;
- to recognise a regulatory asset of CU20 in Year 1 to reflect Company A's right to add the under-recovered costs in determining the regulated rate to be charged to customers in Year 2;
- to recognise regulatory expense of CU20 in Year 2 to reflect amounts added to the regulated rate charged in that year—and hence included in IFRS 15 revenue in that year—that provide compensation for regulatory goods or services supplied in Year 1; and
- to derecognise the regulatory asset in Year 2.

Total allowed compensation for the regulatory goods or services Company A supplied in Year 1 and Year 2 is CU120 and CU100, respectively.

Objective and underlying principle of IFRS 20

What is the problem?

Before IFRS 20, companies applying IFRS Accounting Standards were not required to recognise the effects of differences in timing. This gap has caused a **lack of information** about the effects of differences in timing.

Problem

Investors are unable to understand the effects of **differences in timing** on a company's financial performance and financial position.

How does IFRS 20 help to solve the problem?

Objective

The **objective** of IFRS 20 is to provide useful information to investors about **differences in timing** through accounting for regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

Applying IFRS 20, a company will provide useful information about how:

- regulatory income and regulatory expense affect its financial performance; and
- regulatory assets and regulatory liabilities affect its financial position.

Principle

The definitions of regulatory assets and regulatory liabilities, and resulting definitions of regulatory income and regulatory expense, are based on the **principle** that a company recognises the **total allowed compensation** for regulatory goods or services supplied by the company in the same reporting period that it supplies those regulatory goods or services.

Scope of IFRS 20

Who will apply IFRS 20?

A company subject to a regulatory agreement that creates regulatory assets and regulatory liabilities is required to apply IFRS 20.

Scope exception

A company does not apply IFRS 20 to regulatory assets and regulatory liabilities that arise if premiums charged in insurance contracts within the scope of IFRS 17 *Insurance Contracts* are regulated.

What is a regulatory agreement and a regulator?

A **regulatory agreement** is an agreement that creates a set of enforceable rights and enforceable obligations that prescribes how a regulator determines a regulated rate that a company charges for goods or services supplied to customers in a period.

A **regulator** is a body required by law or regulation to determine the regulated rate.

What are regulatory assets, regulatory liabilities, regulatory income and regulatory expense?

A **regulatory asset** is an enforceable present right, created by a regulatory agreement, to add an amount in determining a regulated rate to be charged to customers in future periods because part or all of the total allowed compensation for regulatory goods or services already supplied has not yet been included in IFRS 15 revenue.

A **regulatory liability** is an enforceable present obligation, created by a regulatory agreement, to deduct an amount in determining a regulated rate to be charged to customers in future periods because part or all of the total allowed compensation for regulatory goods or services to be supplied in the future has already been included in IFRS 15 revenue.

Regulatory income is income arising from changes in a regulatory asset or a regulatory liability.

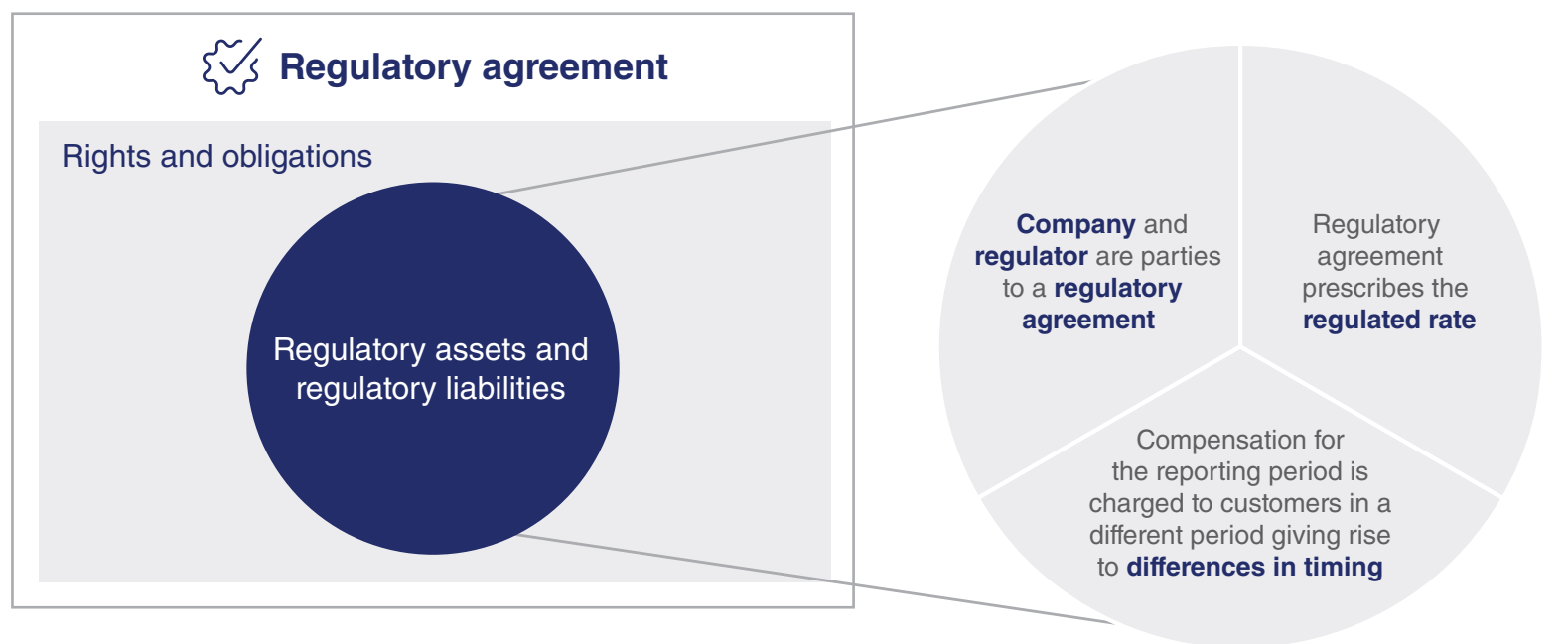
Regulatory expense is expense arising from changes in a regulatory asset or a regulatory liability.

What conditions are required for a regulatory asset or regulatory liability to exist?

A regulatory asset or regulatory liability can exist only if:

- a company and a **regulator** are parties to a **regulatory agreement** that prescribes the **regulated rate** the company charges for goods or services it supplies to customers; and
- part or all of the total allowed compensation for regulatory goods or services supplied in a reporting period is charged to customers in a different period—that is, **differences in timing** arise.

Figure 1—Conditions for a regulatory asset or regulatory liability to exist



A company applies IFRS 20 to all its **regulatory assets** and all its **regulatory liabilities**

How does a company apply IFRS 20 in conjunction with other IFRS Accounting Standards?

A company applies other IFRS Accounting Standards to account for the rights and obligations created by a regulatory agreement before applying IFRS 20. For example, a company that is a party in a service concession arrangement within the scope of IFRIC 12 *Service Concession Arrangements*:

- first applies the requirements in IFRIC 12 and other IFRS Accounting Standards to account for rights and obligations arising from that arrangement; and
- then applies the requirements in IFRS 20 to any remaining rights and obligations from that arrangement that meet the definition of a regulatory asset or a regulatory liability.

What is the relationship between IFRS 15 revenue and total allowed compensation?

Regulatory goods or services are goods or services supplied by a company to comply with a regulatory agreement. Figure 2 illustrates that regulatory goods or services supplied by a company can consist of more than the goods or services that the company supplies to its customers.

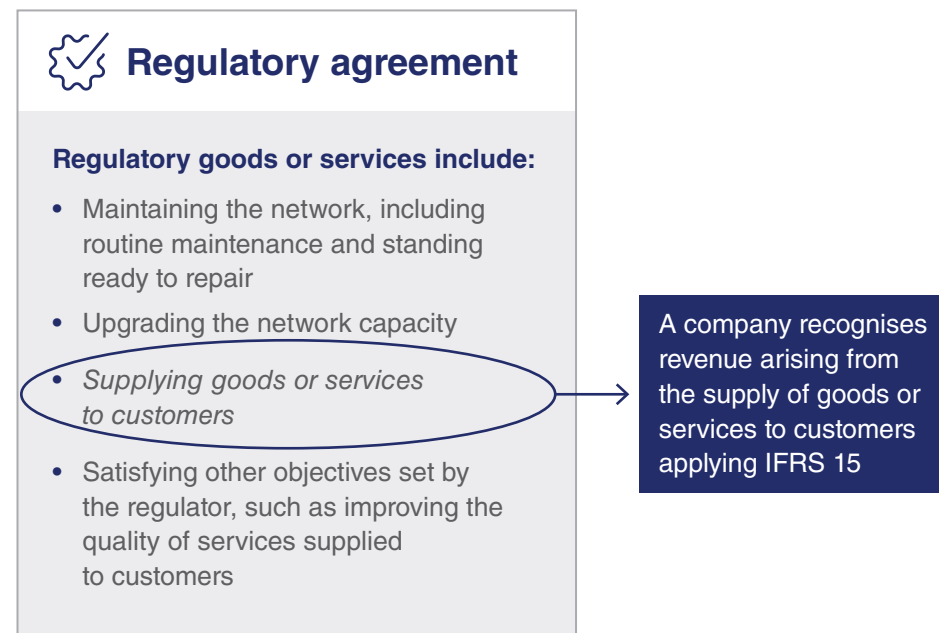
The **amount of IFRS 15 revenue** a company recognises in a reporting period depends on the regulated rate charged for goods or services the company supplies to customers in the period (see the item highlighted in Figure 2).

That amount differs from the **total allowed compensation** for the regulatory goods or services supplied by the company in the reporting period if differences in timing arise—that is, if part or all of the total allowed compensation is included in determining the regulated rates charged to customers in a different period (past or future).

IFRS 20 supplements the information a company provides by applying IFRS 15, by setting out requirements for the recognition of regulatory income and regulatory expense. A company's financial statements will provide investors with a better understanding of the total allowed compensation for regulatory goods or services supplied in a reporting period through:

- providing information required by other IFRS Accounting Standards, primarily IFRS 15; and
- recognising regulatory income or regulatory expense in accordance with IFRS 20, which will reflect the effects of differences in timing in a company's financial performance.

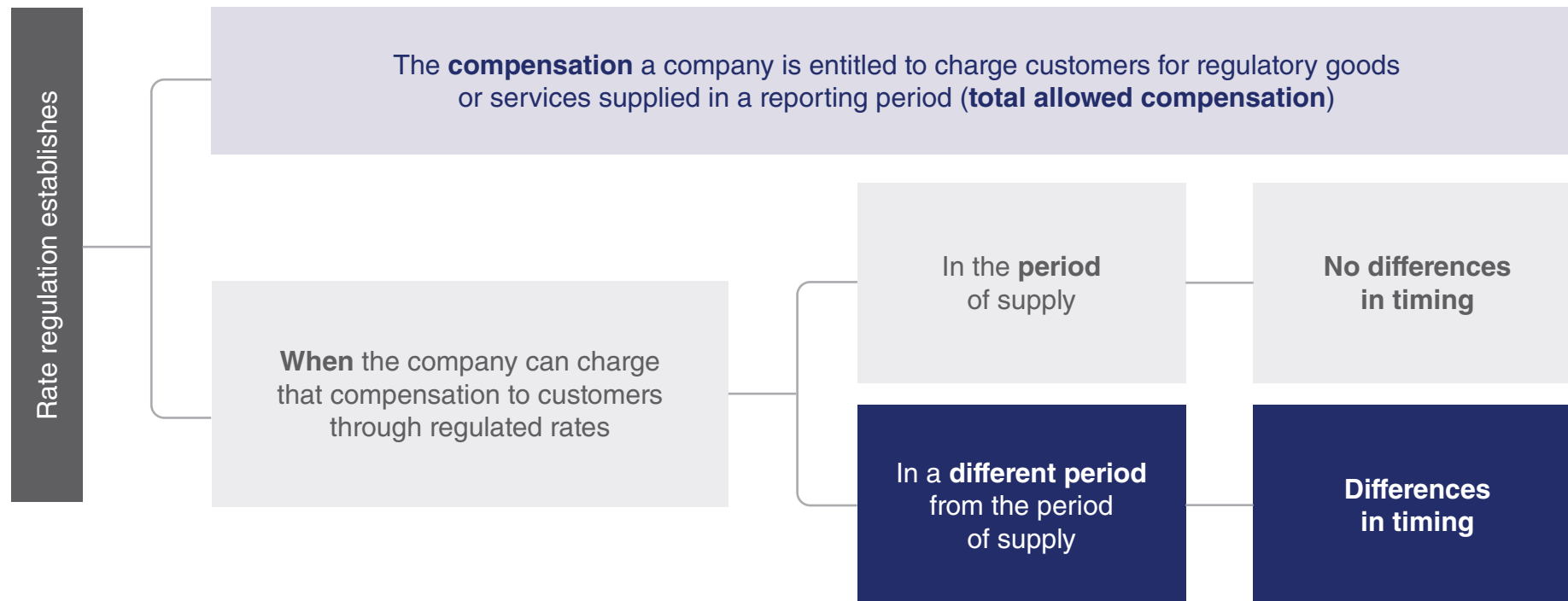
Figure 2—Regulatory goods or services



Total allowed compensation and differences in timing

Figure 3 describes the concept of total allowed compensation and illustrates the circumstances in which a difference in timing arises.

Figure 3—In which circumstances do ‘differences in timing’ arise?



If differences in timing arise, the revenue recognised applying IFRS 15 (IFRS 15 revenue) differs from total allowed compensation.

What are some types of compensation that might give rise to differences in timing?

Regulatory agreements vary by jurisdiction and industry. Accordingly, regulators might apply various methodologies in regulatory agreements to determine regulated rates.

In determining regulated rates, regulators generally consider:

- the costs and risks for which companies should be compensated so they can efficiently supply regulatory goods or services; and
- the need to provide companies with adequate compensation to ensure they remain financially viable.

Table 3 sets out the most common types of compensation provided or deductions made by regulatory agreements through regulated rates and establishes when that compensation forms part of total allowed compensation.

Differences in timing arise from these types of compensation or deductions if they are included in determining the regulated rates charged in a period other than the reporting period in which they form part of, or reduce, total allowed compensation.

Table 3—Types of compensation provided or deductions made by a regulatory agreement through regulated rates

Compensation or deductions	When the compensation or deductions form part of total allowed compensation
Compensation for allowable expenses and deductions for chargeable income	In the reporting period in which the company recognises the allowable expenses or chargeable income in accordance with IFRS Accounting Standards.
Regulatory returns	Generally, in the reporting period in which a regulatory agreement applies a rate of return to a regulatory capital base. ³
Compensation or deductions for performance incentives	In the reporting period in which the company's performance occurs.
Compensation for inflation provided separately from regulatory depreciation	In the reporting period in which the inflation arises.
Compensation or deductions for under- or over-recovery of allowed revenue ⁴	In the period of the under- or over-recovery of allowed revenue.

³ The regulatory capital base is described on page 13.

⁴ Allowed revenue is the total amount of compensation that a regulatory agreement entitles a company to charge customers through regulated rates in a period.

Recognition

In which circumstances are regulatory assets and regulatory liabilities recognised?

Recognition

A company generally recognises:

- all regulatory assets and all regulatory liabilities **existing** at the end of the reporting period; and
- all regulatory income and all regulatory expense arising during the reporting period.

Additional recognition criteria:

- A company recognises a regulatory asset or regulatory liability arising from regulatory depreciation of a regulatory capital base only if there is a direct relationship between the regulatory capital base and a related item or items⁵ (the '**direct relationship**' concept see page 13).
- If compensation is based on a **benchmark** determined using **unobservable inputs**, the company recognises any resulting regulatory asset or regulatory liability only when the regulator determines the compensation based on the actual benchmark.

Recognition threshold—Existence uncertainty

A company recognises a regulatory asset or regulatory liability if it is **more likely than not** to exist.

Assessing the **existence** of enforceable present rights and enforceable present obligations

A company considers **all reasonable and supportable information that is available without undue cost or effort**—for example:

- *information relating to the applicable legal and regulatory framework, such as:*
 - applicable regulatory decisions or court rulings; and
 - applicable laws or legal precedents—to assess whether they could supplement or override the terms of the regulatory agreement.
- *information relating to a specific difference in timing, such as:*
 - confirmation from a regulator of amounts to be added to future regulated rates or preliminary views expressed by a regulator;
 - direct precedents—experience of a regulator's interpretation of the regulatory agreement in similar circumstances;
 - indirect precedents—including:
 - experience of other companies regulated by the same regulator; and
 - decisions of other regulators in the same jurisdiction;
 - evidence that allowable expenses have been incurred; and
 - advice from qualified and experienced legal or other advisers.

⁵ A related item is an item that gives rise to amounts for which a regulatory agreement creates a right to compensation to be provided, or an obligation for a deduction to be made, through regulatory depreciation.

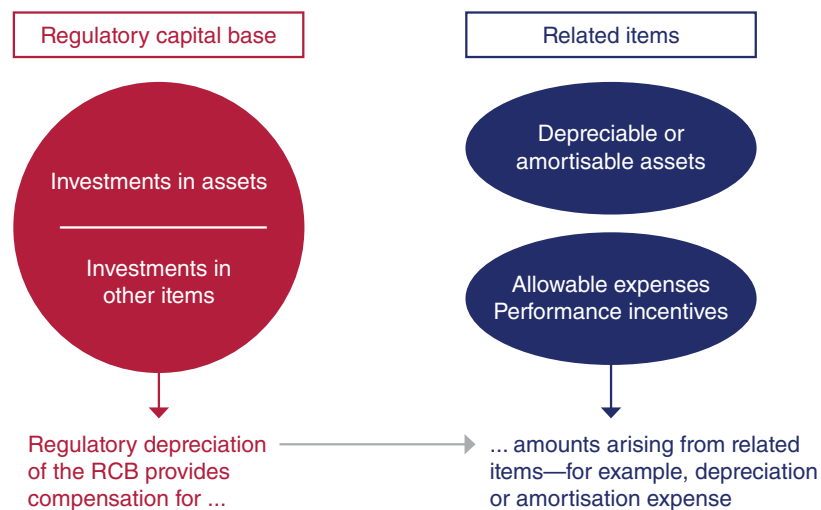
What is the ‘direct relationship’ concept for recognition of regulatory assets and regulatory liabilities?

A company’s **regulatory capital base (RCB)** generally includes investments in assets (for example, investments in plant and equipment) and other items that the company uses to supply regulatory goods or services. Regulatory agreements often allow companies to recover these investments through regulatory depreciation of the RCB.

For example, regulatory depreciation might provide compensation for:

- depreciation or amortisation expense arising from depreciable or amortisable assets that a company accounts for by applying IFRS Accounting Standards; and
- an item of expense added to the RCB other than expenses arising from depreciable or amortisable assets.

Figure 4—RCB and related items



Differences in timing might arise from regulatory depreciation—for example, if the recovery period or recovery pattern of the assets included in the RCB related to depreciable or amortisable assets differs from the useful lives or depreciation or amortisation method for those assets.

The regulatory methodology used to determine the company’s RCB and regulatory depreciation affects whether regulatory depreciation can be viewed as compensation for amounts arising from related items—that is, whether a link exists between regulatory depreciation and those amounts.

If such a link does not exist or is difficult to identify, regulatory assets or regulatory liabilities might not exist, or accounting for regulatory assets or regulatory liabilities that exist:

- would be likely to be costly, subjective or even impracticable;
- might also be subject to significant measurement uncertainty; and
- might not provide useful information about the relationship between the compensation (regulatory depreciation) and the amounts arising from a related item (for example, depreciation or amortisation expense).

Direct relationship concept

IFRS 20 requires a company to recognise regulatory assets and regulatory liabilities arising from regulatory depreciation of a RCB if, and only if, the RCB has a **direct relationship** with related items (see page 14).

Making recognition of regulatory assets and regulatory liabilities arising from regulatory depreciation contingent on the existence of a direct relationship between a company’s RCB and related items is not expected to reduce the comparability of financial information because:

- different outcomes would reflect differences in the terms of regulatory agreements and the methodologies regulators use to determine the RCB and regulatory depreciation; and
- IFRS 20 requires additional disclosures to help investors to make informed comparisons between companies.

In which circumstances does a direct relationship exist between the RCB and related items?

A company's RCB has a direct relationship with related items if the company is able to track, by amount and reporting period, how regulatory depreciation provides compensation or makes a deduction for the amounts arising from the related items.

Table 4 sets out indicators of whether a company's RCB has a direct relationship with related items. These indicators are not exhaustive.

Table 4—Indicators that a company's RCB has a direct relationship with related items

Indicators that the RCB has a direct relationship with the company's depreciable or amortisable assets:	Indicators that the RCB does not have a direct relationship with the company's depreciable or amortisable assets:
<ul style="list-style-type: none"> the assets or classes in the RCB are sufficiently similar to the depreciable or amortisable assets or IFRS asset classes (meaning the company can track any differences between them); or the regulator determines an amount of regulatory depreciation to provide compensation for the depreciation or amortisation expense. <p>A company can presume its RCB does not have a direct relationship with depreciable or amortisable assets if neither of these two indicators are present.</p>	<ul style="list-style-type: none"> the regulator determines the RCB by using information that differs significantly from information about the company's depreciable or amortisable assets; or the regulator determines regulatory depreciation by considering factors unrelated to the depreciation or amortisation of depreciable or amortisable assets.
Indicators that the RCB has a direct relationship with related items other than depreciable or amortisable assets (for example, performance incentives):	Indicator that the RCB does not have a direct relationship with related items other than depreciable or amortisable assets:
<ul style="list-style-type: none"> the RCB has a direct relationship with the company's depreciable or amortisable assets; or the regulator monitors how regulatory depreciation provides compensation or makes a deduction for the amounts arising from the related items separately from the rest of the RCB. 	<ul style="list-style-type: none"> the company is unable—using a reasonable and supportable basis—to allocate to related items adjustments to the RCB or regulatory depreciation (for example, the regulator might determine regulatory depreciation by considering the RCB as a whole).

Measurement

How does IFRS 20 require a company to measure regulatory assets and regulatory liabilities?

IFRS 20 requires a company to measure regulatory assets and regulatory liabilities using a cash-flow-based measurement technique, unless otherwise specified.

Applying that technique, a company:

- **estimates all future cash flows** arising from a regulatory asset or regulatory liability; and
- **discounts those estimated future cash flows** using the regulatory interest rate.

Estimating future cash flows

In applying that technique, a company includes all future cash flows arising from the recovery of a regulatory asset or fulfilment of a regulatory liability, including cash flows from regulatory interest.

If there is uncertainty about the amount or timing of the future cash flows (for example, uncertainty caused by credit risk or demand risk), the company estimates the uncertain future cash flows using whichever of these two methods is expected to better predict the ultimate cash flow that will occur after the uncertainty is resolved:

- the **‘most likely amount’** method (the single most likely amount in a range of possible outcomes); or
- the **‘expected value’** method (the sum of the probability-weighted amounts in a range of possible outcomes).

A company might use one method for some regulatory assets or regulatory liabilities and the other method for others.

Identifying the discount rate

A company generally discounts estimates of future cash flows using the regulatory interest rate for a regulatory asset or regulatory liability, which is typically the interest rate specified by the regulatory agreement for that regulatory asset or regulatory liability.

In specified cases, a company is required to derive and use an implied regulatory interest rate—the rate that at initial recognition discounts the estimates of future cash flows, including regulatory interest, back to an amount that equals the sum of the estimated future cash flows, excluding regulatory interest.

Example

A regulatory agreement specifies uneven interest rates over the life of a regulatory asset or regulatory liability—for example, a period of time might elapse between a company recognising a regulatory asset or regulatory liability and a regulatory agreement starting to apply an interest rate to that regulatory asset or regulatory liability.

If the company expects the period between the recognition of a regulatory asset or regulatory liability and the date when the interest rate specified in the regulatory agreement starts to apply to be one year or less, the company need not discount the estimated future cash flows during that period.

Subsequent reporting

After initial recognition, the company:

- updates estimates of the amount and timing of future cash flows, for example, for new information or changes in facts or circumstances;
- reassesses its chosen method for estimating future cash flows only if facts or circumstances change or new information becomes available; and
- continues to use the discount rate determined at initial recognition unless the regulatory agreement changes the regulatory interest rate.

A practical outcome

IFRS 20 requires a company to use the regulatory interest rate as the discount rate instead of requiring the use of a discount rate that reflects the characteristics of the estimated future cash flows arising from a regulatory asset or regulatory liability.

If a company uses the regulatory interest rate specified by the regulatory agreement, implementing the requirements for discounting is straightforward. In many cases, the simplest way for a company to discount the estimated future cash flows:

- at **initial recognition**—is to calculate the sum of the estimated future cash flows, excluding the cash flows from regulatory interest that has not yet accrued; and
- at **the end of each period**—is to calculate the sum of the estimated future cash flows, excluding the cash flows from regulatory interest that has not yet accrued.

Simplified measurement approach—Items that affect regulated rates only when cash is paid or received

A regulatory agreement might provide compensation for an allowable expense or make a deduction for chargeable income in determining the regulated rates charged to customers only when a company pays or receives the related cash, or soon after that. A regulatory asset or regulatory liability might arise if, by applying IFRS Accounting Standards, the company recognises the allowable expense or chargeable income in a different reporting period.

In these cases, a company measures a regulatory asset or regulatory liability by:

- using the carrying amount of the related liability or related asset.
- adjusting that carrying amount to reflect any differences between the related liability or related asset and the regulatory asset or regulatory liability. For example, adjustments might be required for risks such as credit risk and demand risk, which might be present only in the regulatory asset or regulatory liability but not in the related liability or related asset.

Example

A regulatory agreement might provide a company compensation for pension costs in determining the regulated rates only when the company pays the benefits and settles its obligations under the defined benefit pension plan.

Applying the simplified measurement approach, the company would measure the regulatory asset using the carrying amount of the related pension liability in accordance with IAS 19 *Employee Benefits*, adjusted for any differences between the pension liability and the regulatory asset.

Presentation

How does a company present information in the financial statements in accordance with IFRS 20?

IFRS 20 generally requires a company to classify all regulatory income and all regulatory expense as revenue and to present all regulatory income minus all regulatory expense as a line item in the statement of profit or loss.

In some cases, a company applying other IFRS Accounting Standards might include an item of expense or income in other comprehensive income (OCI). In such cases, the company is also required to include in OCI regulatory income or regulatory expense relating to that item—for example, regulatory income or regulatory expense related to remeasurements of a net defined benefit liability included in OCI in accordance with IAS 19.

A company presents regulatory assets and regulatory liabilities as line items in the statement of financial position.

Figure 5—Presentation in the primary financial statements

Statement(s) of financial performance		Statement of financial position
Profit or loss	OCI	Both: ⁶ <ul style="list-style-type: none"> current and non-current regulatory assets; and current and non-current regulatory liabilities.
Regulatory income or regulatory expense presented as a line item classified as revenue .	Regulatory income or regulatory expense arising from the recognition of an item of expense or income included in OCI .	

Figure 6—Presentation: An illustration

Statement of profit or loss <i>In CU</i>	Year 1	Year 2
IFRS 15 revenue	120	100
Regulatory income	70	100
Revenue	190	200
Input costs	(120)	(100)
Pension service costs	(60)	(85)
Operating profit	10	15
Interest expense on pension liability	(10)	(15)
Profit	–	–

Statement presenting comprehensive income <i>In CU</i>	Year 1	Year 2
Profit	–	–
Income and expenses that will not be reclassified to profit or loss:		
Gains (losses) on remeasurements of pension liability	40	(25)
Regulatory income (regulatory expense) ^(a)	(40)	25
Other comprehensive income	–	–
Total comprehensive income	–	–

(a) Regulatory income or regulatory expense related to losses or gains on remeasurements of the pension liability

⁶ A company uses a current/non-current presentation in the statement of financial position unless a presentation based on liquidity provides a more useful structured summary, in accordance with IFRS 18 *Presentation and Disclosure in Financial Statements*.

Disclosure

What disclosure requirements does IFRS 20 introduce?

Overall disclosure objective	<p>A company is required to disclose information about:</p> <ul style="list-style-type: none"> • regulatory income and regulatory expense that, together with information required by other IFRS Accounting Standards, will provide insights into the total allowed compensation for regulatory goods or services supplied in a reporting period, and hence into the company's financial performance and prospects for future cash flows; and • regulatory assets and regulatory liabilities that will provide insights into the company's financial position at the end of a reporting period and the amount, timing and uncertainty of the company's future cash flows. 	
Specific disclosure objectives	<p>A company is required to disclose information that enables investors to understand:</p> <ul style="list-style-type: none"> • the amounts that are recognised in the statement of financial position and statement(s) of financial performance for regulatory assets, regulatory liabilities, regulatory income and regulatory expense; and • the nature of unrecognised regulatory assets or unrecognised regulatory liabilities and the reason they have not been recognised. 	<ul style="list-style-type: none"> • the relationship between the company's RCB and related items.
Disclosure requirements (examples)	<p>A company discloses:</p> <ul style="list-style-type: none"> • reconciliations from the opening to the closing carrying amounts of regulatory assets and regulatory liabilities. Such reconciliations include components of regulatory income or regulatory expense in profit or loss and OCI (for example, origination, recovery or fulfilment of regulatory assets or regulatory liabilities). • a maturity analysis showing quantitative information, using time bands, about when the company expects to recover regulatory assets and fulfil regulatory liabilities. • an explanation of how uncertainties affect the recovery of regulatory assets and the fulfilment of regulatory liabilities. • information about unrecognised regulatory assets and unrecognised regulatory liabilities. 	<p>A company discloses:</p> <ul style="list-style-type: none"> • the type of relationship (direct or not direct) between its RCB and related items; • the reasons for determining the relationship is of that type; and • any change to or from a direct relationship, and the reason for the change.

Effective date and implementation support

When does IFRS 20 come into effect?

IFRS 20 is effective for annual periods beginning on or after 1 January 2029. A company can choose to apply IFRS 20 earlier.

Does IFRS 20 provide any transition reliefs?

IFRS 20 provides two transition approaches a company can use when it first applies the Standard. A company can apply IFRS 20 either:

- retrospectively in accordance with IAS 8 *Basis of Preparation of Financial Statements*;⁷ or
- using a modified retrospective approach, which provides some transition reliefs, including permitting the use of hindsight at the transition date in applying the requirements in IFRS 20.

Regardless of which transition approach a company applies, it is required to present adjusted comparative information for the period immediately preceding the period in which it first applies IFRS 20.

A first-time adopter of IFRS Accounting Standards will also be permitted to use the modified retrospective approach when applying IFRS 20.

What other materials are available to support implementation?

Together with IFRS 20, the IFRS Foundation has published on its website:

- a webcast;
- examples illustrating aspects of IFRS 20; and
- other supporting documents.

The IFRS Foundation plans to publish additional implementation support materials in the future.

Please see the next page for a list of relevant documents.

⁷ Previously IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Important information

This document is not part of IFRS Standards and does not add to or otherwise change the requirements in the Standards. It was developed to aid stakeholders' understanding of our Standards. Views expressed in the document do not necessarily reflect those of the International Accounting Standards Board (IASB), the International Sustainability Standards Board or the IFRS Foundation. The document should not be relied upon as professional or investment advice.

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Other relevant documents

IFRS 20 *Regulatory Assets and Regulatory Liabilities*—specifies requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense.

Basis for Conclusions on IFRS 20—summarises the IASB's considerations in developing the requirements in IFRS 20.

Illustrative Examples on IFRS 20—illustrates aspects of IFRS 20, without giving interpretative guidance.

Effects Analysis on IFRS 20—describes the likely benefits and costs of IFRS 20.

Feedback Statement on IFRS 20—summarises feedback on the proposals that preceded IFRS 20 and the IASB's response to the feedback.

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