

## STAFF PAPER

February 2018

## IASB Meeting

| Project     | Rate-regulated Activities |                 |                     |
|-------------|---------------------------|-----------------|---------------------|
| Paper topic | Cover note                |                 |                     |
| CONTACT(S)  | Jane Pike                 | jpik@ifrs.org   | +44 (0)20 7246 6925 |
|             | Mariela Isern             | misern@ifrs.org | +44 (0)20 7246 6483 |

This paper has been prepared for discussion at a public meeting of the 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 session**

1. The purpose of this session is:
  - (a) to identify what unit of account would provide the most useful information to users of IFRS financial statements about the incremental rights and obligations arising from the regulatory agreement; and
  - (b) to assess whether, within that unit of account:
    - (i) the incremental right is an asset; and
    - (ii) the incremental obligation is a liability.

(See **Agenda Paper 9A—Unit of account and asset / liability definitions**).

2. **Agenda Paper 9A** is a slide deck. During the Board meeting, we do not intend to present the contents of each slide. Instead, we have provided information in the notes to the slides. The notes form an integral part of the presentation.

**Next steps**

3. In this meeting, we are focusing on conceptual issues around the rights and obligations created by defined rate regulation. Those rights and obligations drive

proposals for the general approach of the model and, in particular, the scope and recognition requirements. In the next Board discussion, we aim to ask the Board to make tentative decisions about proposals for scope and recognition.

4. We will then ask the Board whether to develop proposals for an Exposure Draft or, instead, to develop a higher level overview of the model for consultation through a Discussion Paper.