



Exposure Draft

Proposed IFRS® Standards

Regulatory Assets and Regulatory Liabilities

March 2021

**COMMENTS TO THE IASB AND THE AcSB MUST BE RECEIVED BY
July 30, 2021**

We value your input and look forward to your feedback on this Exposure Draft.

The response deadlines to these International Accounting Standards Board (IASB) and Accounting Standards Board (AcSB) Exposure Drafts are the same, but should you desire the AcSB to consider your comments prior to finalizing its comment letter, please feel free to submit your comment letter by July 15, 2021. Following the deadline, your feedback to the AcSB is considered as part of our [IFRS® Standards endorsement process](#). We also share Canadian feedback with the IASB through our involvement in [international activities](#).

We therefore encourage you to respond directly to the IASB and copy the AcSB on your response.

Responses to our Canadian-specific question in this Exposure Draft should be sent directly to the AcSB by uploading your response letter via this [online form](#). Please address your response to:

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Accounting Standards Board
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This Exposure Draft reflects proposals made by the IASB that the AcSB intends to adopt, subject to deliberating comments received, as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they relate to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AcSB will be available on the website shortly after the comment deadline, unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

HIGHLIGHTS

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CPA Canada Handbook – Accounting, new standard *Regulatory Assets and Regulatory Liabilities*.

IASB® Exposure Draft

The International Accounting Standards Board (IASB) recently issued the Exposure Draft, “[Regulatory Assets and Regulatory Liabilities](#),” which is available on the IASB website at www.ifrs.org. The IASB is proposing a new IFRS Standard that would require certain entities subject to rate regulation to reflect the total allowed compensation to which they are entitled for the goods or services supplied in a period as part of their reported financial performance for that period. An entity would recognize regulatory assets and regulatory liabilities in its statement of financial position, and related regulatory income and regulatory expense in its statement(s) of financial performance. The proposed accounting model enables financial statement users to understand how regulatory assets and regulatory liabilities will affect the amount, timing and uncertainty of the entity’s future cash flows, and obtain a more complete picture of the entity’s financial performance.

The IASB’s Exposure Draft includes illustrative examples and a Basis for Conclusions that are not part of this Exposure Draft. The illustrative examples and Basis for Conclusions are available separately on the IASB’s website in English and will be made available in French by the end of March 2021.

Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed standard:

The IASB has developed the proposed standard in accordance with its due process for application around the world. Assuming the Exposure Draft proposals are finalized and approved by the IASB in accordance with its due process, do you think that the proposals are appropriate for application in Canada? If not, please specify which aspects of the proposals, and what circumstances, make the accounting requirements proposed in the Exposure Draft inappropriate.

Responses to this additional question should be sent directly to the AcSB.

Comment on this document by uploading your response letter via this [online form](#).

The deadline for responding to the IASB on its Exposure Draft is July 30, 2021.¹ Responses to the AcSB on the additional question set out above are due on the same date.

1. At its March 23-24 meeting, the IASB extended the comment period on its Exposure Draft by 30 days. The revised comment period deadline ends on July 30, 2021.

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