

January 13, 2015

IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Subject: Discussion Paper – Reporting the Financial Effect of Rate Regulation

Dear IASB Members,

The Canadian Securities Administrators (CSA) is an organization of Canada's provincial and territorial securities regulators whose objective is to improve, coordinate and harmonize regulation of the Canadian capital markets. The CSA Chief Accountants Committee is comprised of the Chief Accountants from the provinces of Quebec, Ontario, Alberta and British Columbia. We are submitting this letter to you in response to the invitation from the International Accounting Standards Board (the IASB) to comment on the Discussion Paper on *Reporting the Financial Effects of Rate Regulation*.

In Canada, rate-regulated entities have historically presented financial statements that recognise regulatory deferral account balances as regulatory assets or regulatory liabilities. We have actively participated in outreach activities amongst Canadian investors, who consistently state that these regulatory balances provide important information for users who are making investment or lending decisions, and that the preference is for this information to be presented in the financial statements rather than as alternative financial measures in other public filings. We are not aware of any problems that recognition of regulatory balances causes users of financial statements when evaluating investment or lending decisions in rate-regulated entities that recognise such balances when compared to non-rate-regulated entities.

This letter is being provided to express support for the IASB's current efforts to examine the reporting for the financial effect of rate regulation. We encourage the IASB to use the information gained from comment letters, and various outreach initiatives, to develop an exposure draft that sets out proposed reporting requirements for the financial effect of rate regulation.

If you have any questions about this letter, please do not hesitate to contact us.

Yours truly,

The CSA Chief Accountants Committee

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