



August 31, 2010

Peter Martin, CA  
Director, Accounting Standards  
Accounting Standards Board  
277 Wellington Street West  
Toronto, Ontario M5V 3H2

**Re: Exposure Draft – Adoption of IFRSs by Entities with Rate-regulated Activities**

The Committee on Corporate Reporting of Financial Executives International Canada (FEI Canada) is writing this letter to provide its response to the Accounting Standards Board (AcSB) on the **Exposure Draft – Adoption of IFRSs by Entities with Rate-regulated Activities** (ED).

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and more than 2,000 members, FEI Canada provides professional development, thought leadership and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors and senior executives in the Finance, Controller, Treasury and Taxation functions, represents a significant number of Canada's leading and most influential corporations.

The Committee on Corporate Reporting (CCR) is one of two national advocacy committees of FEI Canada. CCR comprises more than 30 senior financial executives representing a broad cross-section of the FEI Canada membership and of the Canadian economy who have volunteered their time, experience and knowledge to consider and recommend action on a range of issues related to accounting, corporate reporting and disclosure. In addition to advocacy, CCR is devoted to improving the awareness and educational implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

Our responses to the questions raised in the ED are set forth as laid out in the ED:

### Question 1

**Do you agree with the AcSB’s proposal to defer the mandatory adoption of IFRSs by qualifying entities with rate-regulated activities to interim and annual financial statements relating to annual periods beginning on or after January 1, 2013? If not, what changes would you suggest, and why?**

CCR agrees with the proposal to provide an election to qualifying entities permitting them to defer mandatory adoption of IFRSs. The CCR commends the Board on its ability to quickly and effectively address the issues of a large segment of the Canadian economy that has unique accounting requirements due to the economic form of rate-regulation, and the ability of external regulatory bodies’ to set prices for services provided. The CCR is supportive of the direction the AcSB has taken with the International Accounting Standards Board (“IASB”) in terms of promoting the nature of the assets and liabilities that arise out of the regulatory process and the need for accounting guidance in this area. While the IASB continues to work on its project on rate-regulated activities, the CCR believes allowing entities the choice of either adopting Part I or Part V of the Canadian Institute of Chartered Accountants’ Handbook is appropriate.

### Question 2

**Do you agree with the AcSB’s proposal for which entities with rate-regulated activities would qualify for the proposed deferral? If not, what other entities should be included or excluded from the scope of the proposed deferral of the IFRS changeover date, and why?**

CCR agrees with the proposal.

### Question 3

**Do you agree that a qualifying entity that does not prepare interim and annual financial statements relating to annual periods beginning on or after January 1, 2011 in accordance with IFRSs should state that fact, and when it will first present financial statements in accordance with IFRSs? If not, why not?**

CCR agrees with the proposal to require qualifying entities to disclose that they have not adopted IFRS. We do however have a concern with the disclosure of when an entity “will” first present financial statements in accordance with IFRS. We believe that the timing of adoption of IFRS is dependent on the activities of the IASB and as such this timing is not certain. We propose that the qualifying entity should disclose when it “expects to” first present financial statements in accordance with IFRS and that this timing be updated as IASB activities progress.



We appreciate your consideration of the comments made in this letter and welcome the opportunity to further discuss any and all matters related to this ED.

Yours very truly,

A handwritten signature in black ink, appearing to read "Tyrone Cotie".

Tyrone Cotie  
Chair  
Committee on Corporate Reporting  
FEI Canada