

## **EFRAG Rate-Regulated Activities Working Group**

### **TERMS OF REFERENCE**

#### ***Role of the Working Group***

The role of the EFRAG Rate-Regulated Activities Working Group is to support EFRAG TEG and EFRAG CFSS on Rate-Regulated Activities specific matters and their application within Europe through technical analysis and consultation. The Working Group's overall objective is to advise and provide other input to EFRAG's discussions on all aspects of reporting related to Rate-Regulated Activities. The Working Group's primary focus will be on the IASB's long-term comprehensive project on rate-regulated activities reporting; however, pending the development of the interim IFRS, the Working Group may be also consulted on this topic. More specifically, its objective is to help ensure that EFRAG:

- is aware of Rate-Regulated Activities issues affecting Europe and of the views of European stakeholders on those issues;
- understands the implications for European stakeholders of new proposals issued by the IASB, the IFRS Interpretation Committee and others;
- is generally in a position to help ensure that Europe plays an influential role in the reporting standard-setting debate related to Rate-Regulated Activities;
- obtains expert advice and high-level input on the project especially in its preliminary stages;
- receives input on the technical assessment of IFRS and IFRS Interpretations on Rate-Regulated Activities specific issues;
- obtains the Working Group's contribution to proactive work when appropriate;
- receives project updates as well as advice on strategy and execution of the project.

#### ***Composition of the Working Group***

- The Working Group should consist of members with particular experience of accounting for Rate-Regulated Activities. There should be a good mix of different backgrounds, e.g. preparers, auditors, consultants, and users.
- Members should have a strong practical knowledge of Rate-Regulated activities and related reporting matters.
- The Working Group should also have a good mix of nationalities. EFRAG welcomes more particularly candidates who can act as liaison with the national standard setter in their country of origin.

## *Rate-Regulated Activities*

The size of the Working Group is expected to include 12-15 members including the Chairman of the Working Group. Other participants can be included as correspondents.

Representatives of the European Commission, ESMA, and other interested organisations may be invited to participate as observers.

The Working Group meetings will be chaired by the EFRAG Chairman, an EFRAG TEG member or another person in accordance with Article 16 of the Internal Rules.

The Technical Director, EFRAG TEG members and other EFRAG Staff will participate in the discussions as appropriate.

The Working Group can, through its Chairman or the EFRAG Chairman, invite experts to its meetings for specific agenda items.

Members' appointments are proposed by the EFRAG Chairman for approval by EFRAG TEG in accordance with EFRAG's procedures for appointing members to EFRAG Working Groups as laid down in Article 16 of EFRAG Internal Rules.

### ***Number of meetings:***

- The number of meetings can vary, but is expected to be between three and six meetings over the life of the project.
- Some meetings could take place upon invitation, through participation in EFRAG TEG sessions related to the project.
- Advice and other input will sometimes also be sought via email, telephone or video conferencing.

### ***Regular updates to and from EFRAG***

- The Working Group will provide updates to EFRAG TEG, in particular through EFRAG Staff, on the outcome of its discussions, and will receive feedback and input on the general direction.
- The Working Group will receive, in particular through EFRAG Staff, regular updates on the deliberations of various IASB advisory groups relevant for Rate-Regulated Activities, and should take them into consideration.

### ***Working Group Operating Procedures***

- The Working Group is advisory in nature. No decisions are made in the meetings.
- Working group members are expected to liaise actively with other parties interested in rate-regulated activities in their country of origin or at European level. Liaison with – and/or support to – the local National Standard Setter in the area of Rate-Regulated activities is particularly encouraged.
- A constructive approach should be taken so that, whenever the Working Group disagrees with any of the proposals, the reasons are clearly explained, and alternative ideas for resolving the issue are put forward for further consideration.

## *Rate-Regulated Activities*

- The administrative support of the Working Group is provided by EFRAG.
- Papers should be prepared by the Working Group members and/or by EFRAG Staff, and serve as a basis for discussion by the Working Group.
- EFRAG Staff will circulate relevant papers and material to the working group members at least one week prior to working group meetings.
- Draft meeting minutes will be circulated for comment to working group members ten days after the meeting. Working Group members will be invited to provide comments on those draft minutes. The revised minutes will be approved at the next meeting.
- From time to time Working Group members should be willing to respond to additional, reasonable, project staff requests for information to assist in research and development of project proposals.
- The work and meetings of the Working Group will be conducted in English.
- Meetings are expected to take place at the EFRAG offices in Brussels.
- Working Group members are expected to bear their own travel and other costs in participating to the activities.

### ***Internal rules***

The EFRAG Internal Rules as approved by the EFRAG General Assembly on 25 October 2012, in particular Article 16, apply to all EFRAG working groups. They are available on the EFRAG website (click [here](#)).

Brussels, 18 March 2013