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- **Volume C** contains Basis for Conclusions and Dissenting Opinions.

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**Material published to accompany**

**SIC-29**

# Service Concession Arrangements: Disclosures

The text of the unaccompanied Interpretation, SIC 29, is contained in Part A of this edition. Its effective date when issued was 31 December 2001. This part presents the following document:

**BASIS FOR CONCLUSIONS**

## **Basis for Conclusions on SIC Interpretation 29 *Service Concession Arrangements:* *Disclosures***

*This Basis for Conclusions accompanies, but is not part of, SIC-29.*

*[The original text of paragraphs 8 and 9 has been marked up to reflect the revision of IAS 1 in 2003 and 2007 and the issue of IFRIC 12 in 2006: new text is underlined and deleted text is struck through.]*

8 Paragraph 15 of the *Framework*<sup>1</sup> states that the economic decisions taken by users of financial statements require an evaluation of the ability of the entity to generate cash and cash equivalents and of the timing and certainty of their generation. Paragraph 21 of the *Framework* states that financial statements also contain notes and supplementary schedules and other information. For example, they may contain additional information that is relevant to the needs of users about the items in the statement of financial position ~~balance sheet~~ and statement of comprehensive income ~~statement~~. They may also include disclosures about the risks and uncertainties affecting the entity and any resources and obligations not recognised in the statement of financial position ~~balance sheet~~.

9 A service concession arrangement often has provisions or significant features that warrant disclosure of information necessary to assist in assessing the amount, timing and certainty of future cash flows, and the nature and extent of the various rights and obligations involved. The rights and obligations associated with the services to be provided usually involve a high level of public involvement (eg to provide electricity to a city). Other obligations could include significant acts such as building an infrastructure asset (eg power plant) and delivering that asset to the ~~Concession Provider~~ grantor at the end of the concession period.

*The text of paragraph 10 has been marked up to reflect the revision of IAS 1 in 2007. Previous amendments to the paragraph, reflecting the revision of IAS 1 in 2003, have been incorporated into the text to avoid confusion with the new amendments in 2007.<sup>2</sup>*

10 IAS 1.112(c)~~103(e)~~ requires an entity's notes to provide additional information that is not presented elsewhere in the financial statements ~~on the face of the balance sheet, income statement, statement of changes in equity or cash flow statement~~, but is relevant to an understanding of any of them. The definition of notes in IAS 1.74~~1~~ indicates that notes provide narrative descriptions or disaggregations of items disclosed in the statement of financial position ~~balance sheet~~, statement of comprehensive income, separate ~~income~~ statement (if presented), statement of changes in equity and statement of ~~cash~~

1 References to the Framework in this Basis for Conclusions are to the IASC's Framework for the Preparation and Presentation of Financial Statements, adopted by the IASB in 2001 and in effect when the Interpretation was developed.

2 In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

flows ~~statement~~, as well as information about items that do not qualify for recognition in those statements.