



**IFRS AT A GLANCE**  
**SIC-29 *Service Concession Arrangements:***  
***Disclosure***



# SIC-29 *Service Concession Arrangements: Disclosure*

## ISSUE

- ▶ A service concession arrangement generally involves the grantor conveying for the period of the concession to the operator:
  - ▶ The right to provide services that give the public access to major economic and social facilities
  - ▶ In some cases, the right to use specified tangible assets, intangible assets or financial assets.
- ▶ In exchange, the operator:
  - ▶ Commits to provide the services according to certain terms and conditions during the concession period
  - ▶ When applicable, commits to return at the end of the concession period the rights received at the beginning of the concession period and/or acquired during the concession period.
- ▶ The common characteristic of all service concession arrangements is that the operator both receives a right and incurs an obligation to provide public services
- ▶ The issue is what information should be disclosed in the notes of an operator and a grantor.

## CONSENSUS









- ▶ An operator and a grantor disclose the following in each period:
  - ▶ A description of the arrangement
  - ▶ Significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows
  - ▶ The nature and extent (e.g., quantity, time period or amount as appropriate) of:
    - ▶ Rights to use specified assets
    - ▶ Obligations to provide or rights to expect provision of services
    - ▶ Obligations to acquire or build items of property, plant and equipment
    - ▶ Obligations to deliver or rights to receive specified assets at the end of the concession period
    - ▶ Renewal and termination options
    - ▶ Other rights and obligations.
  - ▶ Changes in the arrangement occurring during the period
  - ▶ How the service arrangement has been classified.
- ▶ The above disclosures are required separately for each individual service concession arrangement
- ▶ An operator discloses the amount of revenue and profits or losses recognised in a reporting period on exchanging construction services for a financial asset or an intangible asset.

# Contact

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below.

Alternatively, please visit [www.bdo.global](http://www.bdo.global) where you can find full lists of regional and country contacts.



## EUROPE

Anne Catherine Farlay		France	<a href="mailto:annecatherine.farlay@bdo.fr">annecatherine.farlay@bdo.fr</a>
Jens Freiberg		Germany	<a href="mailto:jens.freiberg@bdo.de">jens.freiberg@bdo.de</a>
Ehud Greenberg		Israel	<a href="mailto:ehudg@bdo.co.il">ehudg@bdo.co.il</a>
Stefano Bianchi		Italy	<a href="mailto:stefano.bianchi@bdo.it">stefano.bianchi@bdo.it</a>
Roald Beumer		Netherlands	<a href="mailto:roald.beumer@bdo.nl">roald.beumer@bdo.nl</a>
Reidar Jensen		Norway	<a href="mailto:reidar.jensen@bdo.no">reidar.jensen@bdo.no</a>
David Cabaleiro		Spain	<a href="mailto:david.cabaleiro@bdo.es">david.cabaleiro@bdo.es</a>
René Füglistner		Switzerland	<a href="mailto:rene.fueglistner@bdo.ch">rene.fueglistner@bdo.ch</a>
Moses Serfaty		United Kingdom	<a href="mailto:moses.serfaty@bdo.co.uk">moses.serfaty@bdo.co.uk</a>




## SUB SAHARAN AFRICA



Theunis Schoeman		South Africa	<a href="mailto:tschoeman@bdo.co.za">tschoeman@bdo.co.za</a>
------------------	---	--------------	--

## NORTH AMERICA &







Jonathan Chasle		Canada	<a href="mailto:jchasle@bdo.ca">jchasle@bdo.ca</a>
Wendy Hambleton		USA	<a href="mailto:whambleton@bdo.com">whambleton@bdo.com</a>

## LATIN AMERICA


Marcello Canetti		Argentina	<a href="mailto:mcanetti@bdoargentina.com">mcanetti@bdoargentina.com</a>
Victor Ramirez		Colombia	<a href="mailto:vramirez@bdo.com.co">vramirez@bdo.com.co</a>
Ernesto Bartesaghi		Uruguay	<a href="mailto:ebartesaghi@bdo.com.uy">ebartesaghi@bdo.com.uy</a>

Ayez Qureshi		Bahrain	<a href="mailto:Ayez.qureshi@bdo.bh">Ayez.qureshi@bdo.bh</a>
Antoine Gholam		Lebanon	<a href="mailto:agholam@bdo-lb.com">agholam@bdo-lb.com</a>

## ASIA PACIFIC

Aletta Boshoff		Australia	<a href="mailto:aletta.boshoff@bdo.com.au">aletta.boshoff@bdo.com.au</a>
Hu Jian Fei		China	<a href="mailto:hu.jianfei@bdo.com.cn">hu.jianfei@bdo.com.cn</a>
Fanny Hsiang		Hong Kong	<a href="mailto:fannyhsiang@bdo.com.hk">fannyhsiang@bdo.com.hk</a>
Pradeep Suresh		India	<a href="mailto:pradeepsuresh@bdo.in">pradeepsuresh@bdo.in</a>
Khoon Yeow Tan		Malaysia	<a href="mailto:tanky@bdo.my">tanky@bdo.my</a>
Ng Kian Hui		Singapore	<a href="mailto:kianhui@bdo.com.sg">kianhui@bdo.com.sg</a>





This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Neither BDO IFR Advisory Limited, and/or any other entity of BDO network, nor their respective partners, employees and/or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

The BDO network (referred to as the 'BDO network' or the 'Network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.

Service provision within the BDO network in connection with corporate reporting and IFRS Accounting Standards (comprising International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee), and other documents, as issued by the International Accounting Standards Board and IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board, is provided by BDO IFR Advisory Limited, a UK registered company limited by guarantee. Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.

Each of BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2022 BDO IFR Advisory Limited, a UK registered company limited by guarantee. All rights reserved.

[www.bdo.global](http://www.bdo.global)

**BDO**