

## **SECTION PS 3280**

### **asset retirement obligations**

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#### **SUPPLEMENT**

This supplement sets out the previous wording of the paragraph that has been amended as a consequence of approving FINANCIAL STATEMENT PRESENTATION, Section PS 1202.

- .09 *A liability should be recognized when, as at the financial reporting date:*

- (a) *there is a legal obligation to incur retirement costs in relation to a tangible capital asset;*
- (b) *the past transaction or event giving rise to the liability has occurred;*
- (c) *it is expected that future economic benefits will be given up; and*
- (d) *a reasonable estimate of the amount can be made.*

*A liability for an asset retirement obligation cannot be recognized unless all of the criteria above are satisfied. [APRIL 2022]*

#### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .02 This Section provides guidance for applying the definition of liabilities set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and the general recognition and disclosure standards in LIABILITIES, Section PS 3200, in accounting for and reporting a liability for asset retirement obligations. It may be useful to read this Section in conjunction with LIABILITY FOR CONTAMINATED SITES, Section PS 3260, CONTINGENT LIABILITIES, Section PS 3300, and CONTRACTUAL OBLIGATIONS, Section PS 3390.
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