

**List of Submissions to ED 182 *Prepayments of a Minimum Funding Requirement [Proposed amendments to AASB Interpretation 14]***

- 1           Representatives of the Australian Accounting Profession  
(CPA Australia, The Institute of Chartered Accountants in Australia and National  
Institute of Accountants
- 2           Grant Thornton

16 July 2009

Sir David Tweedie  
Chairman  
International Accounting Standards Board  
30 Cannon Street  
LONDON EC4M 6XH  
United Kingdom

Email: [CommentLetters@iasb.org](mailto:CommentLetters@iasb.org)

Dear Sir David

**Comments on ED 2009/4 Prepayments of a Minimum Funding Requirement (Proposed amendments to IFRIC 14)**

Thank you for the opportunity to comment on the IASB Exposure Draft ED 2009/4 *Prepayments of a Minimum Funding Requirement (Proposed amendments to IFRIC 14)*. CPA Australia, The Institute of Chartered Accountants in Australia (The Institute) and the National Institute of Accountants (the Joint Accounting Bodies) have considered the above exposure draft (ED) and our comments follow.

The Joint Accounting Bodies represent over 180,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government, academia throughout Australia and internationally.

The Joint Accounting Bodies support the proposal to amend IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. We agree with the Board's reasoning expressed in paragraphs BC4 and BC8. Accordingly, we concur with the Board's statement "...the entity has an asset" and not an expense.

If you have any questions regarding this submission, please do not hesitate to contact either Mark Shying (CPA Australia) at [mark.shying@cpaaustralia.com.au](mailto:mark.shying@cpaaustralia.com.au), Kerry Hicks (The Institute) at [kerry.hicks@charteredaccountants.com.au](mailto:kerry.hicks@charteredaccountants.com.au) or Tom Ravlic (NIA) at [tom.ravlic@nia.org.au](mailto:tom.ravlic@nia.org.au).

Yours sincerely



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**Representatives of the Australian Accounting Profession**



[cpaaustralia.com.au](http://cpaaustralia.com.au)



The Institute of  
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Dear Kevin

**ED 182 Prepayments of a Minimum Funding Requirement - Proposed amendments to IFRIC 14**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board with its comments on Exposure Draft ED 182 which is a re-badged copy of the International Accounting Standards Board's Exposure Draft ED/2009/4 (the ED).

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses, and this submission has benefited with input from our clients, Grant Thornton International which will be finalising a global submission to the IASB, and discussions with key constituents.

We support the Board in its proposals to amend IFRIC 14 *LAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (IFRIC 14).

Currently, a surplus created by a voluntary prepayment of a minimum funding requirement contribution is in some circumstances treated as an expense despite the fact that the entity making the prepayment will derive future benefit from it. The proposals will remove this unintended consequence of IFRIC 14 and are consistent with the definition of an asset in the *Framework for the Preparation and Presentation of Financial Statements*.

We therefore support the Board's proposed amendments, and agree with the Board in seeking to apply them from the beginning of the first period presented in the financial statements in which the original version of IFRIC 14 was applied.

If you require any further information or comment, please contact me.

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED

  
Keith Reilly  
National Head of Professional Standards

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