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IFRIC Draft Interpretation D19
International Accounting Standards Board
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Dear Sir or Madam

IFRIC Draft Interpretation D19 – IAS 19 *The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements*

Thank you for the opportunity to comment on IFRIC Draft Interpretation D19.

Our comments have been prepared in consultation with members through our Asia-Pacific Financial Reporting Advisory Group (APFRAG) which is a Board Committee representing a regional perspective from South-East Asia, Oceania and our Financial Reporting and Governance Centre of Excellence.

CPA Australia has no awareness of the proposal issues having relevance to the Asia-Pacific region, and we question why the IFRIC needed to develop the [draft] Interpretation. Nevertheless, we are generally supportive of the [draft] Interpretation. However, we are concerned that the accounting requirements of the [draft] Interpretation are complex – we consider the [draft] Interpretation would benefit from the inclusion of a full set of examples. We note a potential conceptual issue with Example 3, paragraph 18 of the [draft] Interpretation which requires the entity to reduce the defined benefit asset to the extent that the additional contributions payable are not fully available. The contribution reduction component accounts for the future service costs to be incurred by the fund. While this is fundamentally prudent and conservative accounting, the practical value added is questionable.

Should you have any queries on our comments, please contact John Ngiam, CPA Australia's Financial Reporting and Governance Policy Adviser at john.ngiam@cpaaustralia.com.au or Dr Mark Shying, CPA Australia's Financial Reporting and Governance Senior Policy Adviser at mark.shying@cpaaustralia.com.au

Yours sincerely

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