



19 June 2015

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON IASB EXPOSURE DRAFT ED/2015/5
Remeasurement on a Plan Amendment, Curtailment or
Settlement/Availability of a Refund from a Defined Benefit Plan
(Proposed amendments to IAS 19 and IFRIC 14)

Comments to be received by 21 September 2015

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IASB Exposure Draft which has been posted on the Institute's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>

The Exposure Draft contains proposed narrow-scope amendments to the IASB's pension accounting requirements to improve the information provided in an entity's financial reports and to address some diversity in practice.

When a defined benefit plan is amended, curtailed or settled during a reporting period, the entity needs to update the assumptions about its obligation and fair value of its plan assets to calculate costs related to these changes. The proposed amendments to IAS 19 *Employee Benefits* specify that the entity is required to use the updated information to determine current service cost and net interest for the period followed by these changes.

The proposed amendments to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* address (i) whether other parties' power to enhance benefits for plan members or wind up a plan affects the availability of a refund; and (ii) the interaction between the asset ceiling and the past service cost or a gain or loss on settlement.

The FRSC invites your comments on the proposals. Comments should be supported by specific reasoning and should be submitted in written form. To allow your comments to be considered in developing its response to the IASB, the FRSC requests for your comments by **21 September 2015**.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.