



Our Ref.: C/FRSC

By e-mail and by post

10 November 2006

D19 Comment Letters
International Accounting Standards Board,
30 Cannon Street,
London EC4M 6XH,
United Kingdom.

Dear Sirs,

[IFRIC Draft Interpretation D19 IAS 19 - The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements](#)

The Hong Kong Institute of CPAs is the only body authorised by law to promulgate financial reporting, auditing and ethical standards for professional accountants in Hong Kong. We welcome the opportunity to provide you with our comments on the Draft Interpretation D19 *IAS 19 - The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements*.

We appreciate the IFRIC's initiative in developing this Draft Interpretation to clarify when economic benefits in the form of a refund or reductions in future contributions to the plan may be considered "available" under the asset ceiling test in IAS 19.58 and provide guidance on the effect of minimum funding requirements on the measurement of the defined benefit asset or liability.

We support an economic benefit, in the form of a refund of surplus or a reduction in future contributions, being determined to be "available" if it is expected to be realisable at some point during the life of the plan or when the plan liabilities are finally settled even if it is not realisable immediately at the balance sheet date. This is consistent with the criteria for recognition of an asset under the *Framework* where an asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

If you have any questions on our comments, please do not hesitate to contact me at patricia@hkiicpa.org.hk.

Yours sincerely,

Patricia McBride
Director, Standard Setting

PM/EC/al