

## Session 1: The impact of accounting standards on pension investment decisions.

The discussion covered the following topics:

- The paper discussed 'unintended consequences' of a change to an accounting standard. One participant queried why the paper presents the consequences as 'unintended'. He suggested it would be clearer to put simply 'consequences', ie reflecting the impact/effect of accounting standards on pension investment decisions, rather than the 'unintended impact/effect/consequences'. One of the authors explained that the consequences are not necessarily intended because changing investing behaviour is not stated as an IASB objective. Transparent financial information is part of the IASB's mission that can help users of financial statements make well-informed decisions.
- More information on the allocation of the pension plan assets in financial statements would be helpful. For example:
  - Do equity investments include derivatives? One of the authors clarified that equity investments do not include derivatives and that even if there were derivative equity investments, they would likely be of a small scale and, therefore, potentially statistically insignificant.
  - What does the 'other investment' category include? Does 'other' behave more like equity or debt? A participant suggested the others incorporating the 'other investment' category into either equity or debt investments.