



CONSEIL NATIONAL DE LA COMPTABILITE

3, BOULEVARD DIDEROT

75572 PARIS CEDEX 12

Phone 33 1 53 44 52 01

Fax 33 1 53 18 99 43/33 1 53 44 52 33

Internet www.finances.gouv.fr/CNCompta

E-mail antoine.bracchi@cnc.finances.gouv.fr

PARIS, 28TH MARCH 2002

CHAIRMAN

SIR DAVID TWEEDIE
CHAIRMAN IASB
30, CANNON STREET
LONDON, EC4M 6XH
UNITED KINGDOM

AB/CV

N°172

OBJECT: Exposure Draft of a Proposed
AMENDMENT TO IAS 19
EMPLOYEE BENEFITS:
the ASSET CEILING

Dear David,

Please find enclosed answers to the Draft Exposure on IAS 19. We are sorry to sent it later but
the delay caused us problems.

Best personnel regards.

Antoine BRACCHI.

Question 1

Is the issue identified of sufficient importance to warrant a limited amendment to IAS 19?

Yes.

Question 2

If so, does the proposed amendment to IAS 19 (paragraph 58A) appropriately address the issue? Does it create any anomalies? If the proposed amendment is inappropriate, can you suggest an alternative?

Yes. The issue is addressed in an acceptable way. But we wish that an easier construction could be found as we fear that the complexity of paragraph 58A will not be easily understood. To clarify the immediate recognition of the actuarial loss or gain and the effect on the asset ceiling, we suggest the following revised wording: "The application of paragraph 58 should not result in a gain being recognised solely as a result of an actuarial loss or past service cost in the current period or in a loss being recognised solely as a result of an actuarial gain in the current period. The enterprise should therefore not defer the following under paragraph 54:

(a) net unrecognised actuarial losses and past service cost incurred in the current period to the extent that they exceed any reduction in the present value of economic benefits specified in paragraph 58(b)(ii) during that period, and

(b) net unrecognised actuarial gains incurred in the current period to the extent that they exceed any increase in the present value of the economic benefits specified in paragraph 58(b)(ii) during that period.

Question 3

Should the limited changes become effective for accounting periods ending on or after 31 March 2002, with earlier application encouraged (paragraph 159A)?

Yes.

Question 4

Do you agree that there should be no specific transitional provisions for the limited changes proposed in this exposure draft? Consequently, IAS 8 'Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies' will apply to any changes in accounting policies that are made to comply with IAS 19 if amended as proposed (paragraph 160).

Yes.