

Raad voor de Jaarverslaggeving

Stichting voor de Jaarverslaggeving

(voortzetting van het Tripartiete Overleg - TO)

Opricht 18 september 1981 door:
Verbond van Nederlandse Ondernemingen
Nederlands Christelijk Werkgeversverbond
Christelijk Nationaal Vakverbond
Federatie Nederlandse Vakbeweging
Koninklijk Nederlands Instituut van
Registeraccountants met medewerking van
de Sociaal-Economische Raad

International Accounting Standards Board
30 Cannon Street
LONDON EC4M 6XH
UNITED KINGDOM

Our ref. : RdF/AdK
Direct dial : Tel.: (+31) 20 301 0391 / Fax: (+31) 20 301 0279
Date : 25 March 2002
Re : Exposure Draft of a Proposed Amendment to IAS 19

Dear Sir,

The Netherlands Council for Annual Reporting (CAR) is pleased to respond to your request for comments on the Exposure Draft of a Proposed Amendment to IAS 19

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?

Although paragraph 58A seems to address the issue appropriately from a technical point of view, it also complicates the understandability and application of the asset ceiling and corridor rules to a great extent. Currently, the illustrative Appendix C is necessary to fully understand the meaning and implications of paragraph 58A.

We would like to suggest to reconsider the concept of the corridor approach in a more fundamental way, and review whether the concept of unrecognised actuarial gains and losses still fits within the framework and leads to a proper way of accounting. If this cannot be realised on the short term, a complete rewrite of the rules for the asset ceiling and the corridor approach (and the interaction between the two) seems necessary, resulting in a text that is better to understand and to apply than the proposed amendment.

Further, the 4 examples included in Appendix C all show a decrease or increase of the surplus during a reporting period that is fully caused by actuarial results. We would like to suggest to include at least one (extra) example in which the decrease or increase of the surplus does not equal the actuarial results, for instance because of contributions received during the reporting period. Such an example may be more realistic and may provide extra guidance to apply paragraph 58A in practice.





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Question 3: Should the limited changes become effective for accounting periods ending on or after 31 March 2002, with earlier application encouraged (paragraph 159A)?

No. We are of the opinion that changes can only become effective after the due process has been finished and the resulting changes have been approved by the Board.

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.

Yours faithfully,

Mrs Annet de Korne
Secretary