

11 December 2007

Robert Garnett, Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: ifric@iasb.org

Dear Mr. Garnett,

Tentative agenda decision: IAS 19 *Employee Benefits* – Pension promises based on performance targets

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the November 2007 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of IAS 19 *Employee Benefits* with respect to how defined benefit plans with promises based on performance targets should be accounted for in accordance with the standard.

We support the IFRIC's decision not to take this item to the agenda. We concur with the assessment that performance targets are variables that will affect the ultimate cost of providing the post-employment benefits. Accordingly, in our view performance targets arising from the formal terms of the plan should be taken into account when measuring a defined benefit obligation in accordance with the Projected Unit Credit Method.

In addition, we believe that it would be difficult to address this issue while the Board has an ongoing project that addresses new definitions for benefit promises. We encourage the IFRIC to raise this issue with the Board for inclusion in phase 1 if at all possible.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Sincerely,



Ken Wild
Global IFRS Leader

cc: Tricia O'Malley, IFRIC Coordinator