STAFF PAPER

July 2015

IFRS Interpretations Committee Meeting

Project	**IFRIC 14—*IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***
Paper topic	Should an entity assume continuation of a minimum funding requirement for contributions relating to future service?

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Introduction

1. The IFRS Interpretations Committee ('the Interpretations Committee') received a request to clarify whether an entity should assume that the minimum funding requirement for contributions relating to future service would continue over the estimated life of the pension plan, when IFRIC 14 *IAS19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is applied. The European Securities and Markets Authority ('ESMA') submitted this request.

2. At its March 2015 meeting, the Interpretations Committee discussed this issue and tentatively decided not to add this issue to its agenda.

3. The objective of this Agenda Paper is to provide an analysis of the comment letters received on the tentative agenda decision and to ask whether the Interpretations Committee agrees with the staff recommendation that it should finalise the agenda decision.

4. This Agenda Paper is structured as follows:

   (a) discussions at the March 2015 Interpretations Committee meeting;

   (b) comments received on the tentative agenda decision;

   (c) staff analysis on the comments;

   (d) staff recommendation;

(e) questions for the Interpretations Committee;

(f) Appendix A—proposed wording for the final agenda decision; and

(g) Appendix B—comment letters.

Discussions at the March 2015 Interpretations Committee meeting

5. This issue is related to the minimum funding requirement for contributions to cover future service. The question was whether the future minimum funding requirement for contributions to cover future service would apply for only the minimum fixed period, in the following circumstances:

    (a) the contribution rate under the minimum funding arrangement is regularly renegotiated with the pension fund trustees, for example, on an annual or three-yearly basis;

    (b) the agreed amounts of the contributions in the arrangement must then be paid for a fixed period;

    (c) a pension regulation requires the pension trustees to prepare funding principles for ensuring that the statutory funding objective is met;

    (d) a pension regulation or a contractual agreement, or both, require the entity and the pension trustees to renew the agreement to decide the schedule of contributions regularly under the existing funding principles, if the plan is continued;

    (e) this agreement does not need to be renewed if the plan is wound up;

    (f) the entity can decide to wind up or close the plan for future accruals, if this is agreed with the pension trustees; and

    (g) neither a plan wind-up nor a plan closure for future accruals has been decided at the end of the reporting period.

6. The Interpretations Committee observed that the level of the contributions will be subject to future negotiations, although the entity must continue to make

contributions for future service under the existing funding principles, if the plan continues after the minimum period.

7. When the entity estimates the future minimum funding requirement contributions for future services in the circumstances described, the Interpretations Committee noted that the entity should assume a continuation of the existing funding principles, because:

   (a) for any factors not specified by the minimum funding basis (for example, the period to continue the plan is not specified by the existing funding principles), the assumptions for determining future service costs and those used to estimate the future minimum funding requirement contributions for future service must be consistent. This is because paragraphs 17 and 21 of IFRIC 14 require an entity to use assumptions that are consistent with those used to determine the defined benefit obligation and with the situation that exists at the end of the reporting period.

   (b) the estimate should not include changes to the funding principles to determine contributions for future service, if such changes require future negotiations with the pension trustees, in accordance with paragraphs 21 and BC30 of IFRIC 14.

8. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary and therefore tentatively decided not to add this issue to its agenda.

Comments received on the tentative agenda decision

Summary of the letters

9. We received four comment letters on the tentative agenda decision.

10. Two respondents (Deloitte Touche Tohmatsu Limited (DTTL) and PricewaterhouseCoopers International Limited (PwC)) agreed with the

Interpretations Committee's decision not to add this item onto its agenda, for the reasons set out in the tentative agenda decision.

11. Two respondents (Ernst &Young Global Limited (EY) and ESMA) acknowledged that the clarification in the tentative decision is useful. However, they requested further clarification.

'Funding principles'

12. One respondent (EY) stated that it would be helpful to clarify the term 'funding principles' and that the tentative agenda decision is unclear as to what needs to be continued and what that means for the assumptions to be used.

13. Another respondent (ESMA) also stated that:

    (a) the final agenda decision should clarify the meaning of 'funding principles' and should explain its relationship to the minimum funding basis referred to in paragraph 21 of IFRIC 14.

    (b) such clarification could also be made in relation to Example 3 in illustrative examples on IFRIC 14.

Whether an entity should (a) make the best estimate for this issue; or(b)assume that the agreed contribution rate will continue

14. One respondent (EY) believes that an entity should make its best estimate of what it expects the outcomes of the renegotiations for the future minimum funding requirements to be after the end of the minimum period.

15. One respondent (ESMA) urges the Interpretations Committee to explicitly clarify whether the entity should assume that the agreed contribution rate will continue over the life of the pension plan, or whether it should develop expectations of how these contributions will develop in the future after the minimum period. It also stated that, in the latter case, ESMA would be concerned about the degree of subjectivity that could be introduced into accounting, because an entity would need to estimate how its surplus and, therefore, its funding contributions would vary over the life of the plan.

Net defined benefit liability

16. One respondent (PwC) suggested that the proposed agenda decisions should be modified to add 'or liability' after 'net defined benefit asset', to reduce the risk that the agenda decision reinforces the misunderstanding that IFRIC 14 applies only when there is a surplus.

Staff analysis on the comments

17. In this section, we analyse each point raised by the respondents.

'Funding principles'

18. Two respondents requested further clarification, stating that the term 'funding principles' in the tentative decision is unclear.

19. Although the funding principles will be specific to a particular plan, we think that we could improve the clarity of the agenda decision to explain what we mean by funding principles and to clarify the relationship between the funding principles and the minimum funding basis, which is referred to in IFRIC 14.

20. For example, Part 3 *Scheme Funding of* the Pension Act 2004 in the UK is applied to some plans, as explained in the Agenda Paper 8 for the March 2015 meeting. [1] The Act explains that:

    (a) the trustees must prepare, and from time to time review and if necessary revise, 'funding principles' for ensuring that the funding objective is met; and

    (b) the funding principles include decisions about the methods and assumptions to be used in calculating the funding basis, which determines required contributions.

[1] The Pension Act 2004 is available from the following web page: http://www.legislation.gov.uk/ukpga/2004/35/contents

21. Consequently, we suggest clarifying in our agenda decision that the funding principles include the method and assumptions used to calculate a minimum funding basis that determines contributions to be paid.

Whether an entity should make the best estimate for this issue

22. We do not think that an entity should use the best estimate about the outcome of the renegotiation with the pension trustees for this issue, because paragraph 21 of IFRIC 14 prohibits the use of such estimates. We think that the estimate should not include future terms and conditions that require future negotiations with the trustees, in accordance with paragraphs 21 and BC30 of IFRIC 14.

23. Paragraph 21 of IFRIC 14 states (emphasis added):

> An entity shall estimate the future minimum funding requirement contributions for future service taking into account the effect of any existing surplus determined using the minimum funding basis but excluding the prepayment described in paragraph 20(a). An entity shall use assumptions consistent with the minimum funding basis and, for any factors not specified by that basis, assumptions consistent with those used to determine the defined benefit obligation and with the situation that exists at the end of the reporting period as determined by IAS 19. The estimate shall include any changes expected as a result of the entity paying the minimum contributions when they are due. However, **the estimate shall not include the effect of expected changes in the terms and conditions of the minimum funding basis that are not substantively enacted or contractually agreed at the end of the reporting period.**

24. Paragraph BC30 of IFRIC 14 states that (emphasis added):

> The IFRIC noted that future changes to regulations on minimum funding requirements might affect the available surplus. However, the IFRIC decided that, just as the

> future service cost was determined on the basis of the situation existing at the end of the reporting period, so should the effect of a minimum funding requirement. **The IFRIC concluded that when determining the amount of an asset that might be available as a reduction in future contributions, an entity should not consider whether the minimum funding requirement might change in the future.** The respondents to D19 were largely supportive of these conclusions.

25. We think that this point would be sufficiently clear, because our agenda decision would refer to these paragraphs and explain that an entity should assume a continuation of the funding principles, which include assumptions.

26. We also noted that IAS 19 requires an entity to use the best estimates to determine the defined benefit obligations, but IAS 19 requires an entity not to reflect any future changes (ie settlements or plan amendments), even if they are planned or expected, as analysed in the Agenda Paper 8 for the March 2015 meeting.

Whether an entity should assume that the agreed contribution rate will continue

27. Paragraph 18 of IFRIC 14 states that:

> An entity shall analyse any minimum funding requirement at a given date into contributions that are required to cover (a) any existing shortfall for past service on the minimum funding basis and (b) future service.

28. Paragraph 19 of IFRIC 14 states that:

> Contributions to cover any existing shortfall on the minimum funding basis in respect of services already received do not affect future contributions for future service. They may give rise to a liability in accordance with paragraphs 23–26.

29. Paragraph 23 of IFRIC 14 requires an entity to determine whether contributions payable to cover an existing shortfall for past service on the minimum funding

basis will be available as a refund or reduction in future contributions. Paragraph 23 of IFRIC 14 states that:

> If an entity has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall on the minimum funding basis in respect of services already received, the entity shall determine whether the contributions payable will be available as a refund or reduction in future contributions after they are paid into the plan.

30. Consequently, we think that a schedule of contributions or the agreed contribution rate should not be simply extrapolated, if the contributions include those to cover a shortfall for past service. We suggest describing this observation more precisely in the final agenda decision, as follows:

> The Interpretations Committee noted that paragraph 18 of IFRIC 14 requires that an entity shall analyse its ~~an entity's~~ minimum funding requirements at a given date ~~can be analysed~~ into the contributions that are required to cover:
>
> (a) ~~an~~ any existing shortfall for past service on the minimum funding basis; and
>
> (b) future service~~ as explained in paragraph BC25 of IFRIC 14~~.
>
> The Interpretations Committee also noted that:
>
> (a) paragraph 19 of IFRIC 14 explains that contributions to cover any existing shortfall for past service do not affect future contributions for future service; and
>
> (b) paragraph 23 of IFRIC 14 requires an entity to determine whether contributions payable to cover an existing shortfall for past service will be available as a refund or reduction in future contributions.

31. We note that Example 3 in the illustrative examples on IFRIC 14 is an example in which there is a minimum funding requirement to cover future service and that Example 3 explains that the contributions required to cover future services are extrapolated together with IAS 19 service cost related to future service.

32. If there is a regulation or an agreement that specifies the contributions or the rate to determine ongoing minimum funding requirement for future service, we think that the accounting treatment would be consistent with the Example 3, to use the assumptions as required by paragraph 21 of IFRIC 14.

33. Consequently, we think that no inconsistency exists between IFRIC 14, Example 3 and the agenda decision for this issue. We think that an entity should analyse any minimum funding requirements at a given date as required by paragraph 18 of IFRIC 14.

34. We do not think that we should specifically refer to Example 3 in our agenda decision, because examples illustrate a specific case and we think that no inconsistency exists between IFRIC 14 and this example.

Net defined benefit liability

35. We agree that minimum funding requirements could affect the amount of the net defined benefit liability as well as the net defined benefit asset. Paragraph 24 of IFRIC 14 states (emphasis added):

> To the extent that the contributions payable will not be available after they are paid into the plan, the entity shall recognise a liability when the obligation arises. The liability **shall reduce the net defined benefit asset or increase the net defined benefit liability** so that no gain or loss is expected to result from applying paragraph 64 of IAS 19 when the contributions are paid.

36. To avoid the problem raised by the respondent, we suggest describing the issue more precisely in the final agenda decision, as follows:

> This issue is related to the economic benefit available as a reduction in future contributions, which could affect the amount of the net defined benefit liability or asset to be recognised in the entity's statement of financial position.

Staff recommendation

37. On the basis of the comments received on the tentative agenda decision and our analysis of them, we recommend that the Interpretations Committee should finalise the agenda decision.

38. We recommend that the Interpretations Committee should modify the wording of the final agenda decision:

    (a) to describe the issue and our analysis more precisely; and

    (b) to clarify the relationship between a minimum funding basis and funding principles as follows:

    > the funding principles include the method and assumptions to be used to calculate a minimum funding basis that determines contributions to be paid.

39. The proposed wording of the final agenda decision is presented in **Appendix A** of this Agenda Paper.

40. We think that our modified wording in Appendix A would address the points raised by the respondents. We think that we should not define or explain funding principles or assumptions to be used further in detail, because we think that an entity, not the Interpretations Committee, should identify fact patterns including funding principles or any other agreements and regulations and the entity should apply relevant guidance in IFRIC 14, for each case.

41. In the light of the existing IFRS requirements, we still think that sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary.

Questions for the Interpretations Committee

Questions
1. Does the Interpretations Committee agree with the staff's recommendation that the Interpretations Committee should finalise its decision? 2. If the answer to Question 1 is 'Yes', does the Interpretations Committee agree with the wording of the final agenda decision in **Appendix A** of this Agenda Paper?

Appendix A—Proposed wording for the final agenda decision

IFRIC 14—*IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding requirements and their interaction*: Should an entity assume continuation of a minimum funding requirement for contributions relating to future service?

The Interpretations Committee received a request to clarify whether the future minimum funding requirement for contributions to cover future service would apply for only the minimum fixed period, in the following circumstances:

(a) the contribution rate under the minimum funding arrangement is regularly renegotiated with the pension ~~fund~~ trustees, for example, on an annual or ~~triennial~~ three-yearly basis;

(b) the agreed amounts of the contributions in the arrangement must then be paid for a fixed period;

(c) a pension regulation requires the pension ~~T~~trustees to prepare funding principles for ~~securing~~ ensuring that the statutory funding objective is met;

(d) the funding principles include the method and assumptions to be used to calculate a minimum funding basis that determines contributions to be paid;

(e) a pension regulation or a contractual agreement, or both, require the entity and the pension ~~T~~trustees to renew the agreement to decide the schedule of contributions regularly under the existing funding principles, if the plan is continued;

(f) this agreement does not need to be renewed if the plan is wound up;

(g) the entity can decide to wind up or close ~~a~~ the plan for future accruals, if this is ~~it~~ agreed~~s~~ with the pension ~~T~~trustees;~~ and~~

(h) the level of the contributions after the minimum period will be subject to future negotiations, but the entity must continue to make contributions for future service under the existing funding principles, if the plan continues after the minimum period; and

(i) neither a plan wind-up nor a plan closure for future accruals has been decided at the end of the reporting period.

This issue would affect the economic benefit available as a reduction in future contributions, which could affect the amount of the net defined benefit liability or asset to be recognised in the entity's statement of financial position.

The Interpretations Committee noted that paragraph 18 of IFRIC 14 requires an entity to analyse its ~~an entity's~~ minimum funding requirements at a given date ~~can be analysed~~ into the contributions that are required to cover:

(a) ~~an~~ any existing shortfall for past service on the minimum funding basis; and

(b) future service~~ as explained in paragraph BC25 of IFRIC 14~~.

The Interpretations Committee also noted that:

(a) paragraph 19 of IFRIC 14 explains that contributions to cover any existing shortfall for past service do not affect future contributions for future service; and

(b) paragraph 23 of IFRIC 14 requires an entity to determine whether contributions payable to cover an existing shortfall for past service will be available as a refund or reduction in future contributions.

This issue is related to the minimum funding requirement for contributions to cover future service.

~~The Interpretations Committee also noted that the level of the contributions will be subject to future negotiations, although the entity must continue to make contributions for future service under the existing funding principles, if the plan~~

~~continues after the minimum period.~~

When the entity estimates the future minimum funding requirement contributions in the circumstances described, the Interpretations Committee noted that the entity should assume a continuation of the existing funding principles for future service, because:

(a) for any factors not specified by the minimum funding basis (for example, the period to continue the plan is not specified by the existing funding principles), the assumptions for determining future service costs and those used to estimate the future minimum funding requirement contributions for future service must be consistent. This is because paragraphs 17 and 21 of IFRIC 14 require an entity to use assumptions that are consistent with those used to determine the defined benefit obligation and with the situation that exists at the end of the reporting period.

(b) the estimate should not include changes to the funding principles, including the assumptions, to determine contributions for future service, if such changes require future negotiations with the pension ~~T~~trustees, in accordance with paragraphs 21 and BC30 of IFRIC 14.

On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary and therefore ~~[~~decided~~]~~ not to add this issue to its agenda.

Appendix B—Comment letters

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Wayne Upton
Chairman
IFRS Interpretations Committee
30 Cannon Street
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31 May 2015

Dear Mr Upton

Tentative agenda decision – IFRIC 14 – *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding requirements and their interaction*: Should an entity assume continuation of a minimum funding requirement for contributions relating to future service?

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the March IFRIC Update of the tentative decision not to take onto the Committee's agenda a request for guidance on whether, for the purposes of determining the amount of an net defined benefit asset to be recognised in the statement of financial position, a minimum funding requirement for contributions to cover future service would apply only for the minimum fixed period.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons set out in the tentative agenda decision.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 20 7007 0884.

Yours sincerely

Veronica Poole
Global IFRS Leader

Mr Michael Stewart
Director of Implementation Activities
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26 May 2015

Dear Mr Stewart

Tentative agenda decision: IFRIC 14—*IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding requirements and their interaction*: Should an entity assume continuation of a minimum funding requirement for contributions relating to future service?

We are responding to your invitation to comment on the above tentative agenda decision, published in the March 2015 edition of IFRIC Update, on behalf of PricewaterhouseCoopers. Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of member firms who commented on the tentative agenda decision. 'PricewaterhouseCoopers' refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We support the Interpretations Committee's (the Committee) decision not to take this question onto its agenda and for the reasons given by the Committee. We believe that the principles in IFRIC 14 that are explained in the tentative agenda decision are clear. We understand that some have argued that the "Minimum Funding Requirement" should be interpreted narrowly and should relate only to the period for which specific funding requirements have been agreed. We agree with the Committee that paragraph 21 of IFRIC 14 requires that the principles/assumptions underlying the Minimum Funding Requirement at the end of the reporting period are assumed to continue until they are changed by contractual agreement or substantively enacted legislation.

One common misunderstanding about IFRIC 14 is that it is only relevant when a pension plan has a surplus. We suggest that the proposed agenda decision is modified to add "or liability" after "net defined benefit asset" in the following sentence "The issue could affect the amount of the net defined benefit asset to be recognised in the entity's statement of financial position". This will reduce the risk that the agenda decision reinforces the perception that IFRIC 14 applies only when there is a surplus.

If you have any questions in relation to this letter please do not hesitate to contact Paul Fitzsimon (+1 416 869 2322) or Richard Davis (44 207 212 3238).

Yours faithfully

PricewaterhouseCoopers

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International Financial Reporting Standards Interpretations Committee
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2 June 2015

Dear IFRS Interpretations Committee members,

Invitation to comment -Tentative Agenda Decision: IFRIC 14 - IAS 19 *The Limit on a Defined Benefit Asset, Minimum Funding requirements and their interaction*: Should an entity assume continuation of a minimum funding requirement for contributions relating to future service? (IFRIC Update 25 March 2015 - Agenda Paper 8)

Ernst & Young Global Limited, the central coordinating entity of the global EY organisation, welcomes the opportunity to offer its views on the above Tentative Agenda Decision (TAD) discussed by the IFRS Interpretations Committee (the IFRS IC) in March 2015.

Overall, we support the general direction of the TAD, which we understand to be that an entity should assume a continuation of the existing funding principles for future service while estimating the future minimum funding requirement contributions after the minimum fixed period. However, we believe that the TAD is unclear as to the basis for estimating the funding of the current service cost after the minimum fixed period.

The TAD introduces the term 'funding principle' which is not defined in IAS 19 *Employee Benefits* or in IFRIC 14. Therefore, it is unclear what needs to be continued and what that means for the assumptions to be used. The TAD states in the last bullet point list that changes to the funding principles to determine contributions for future service should not be included if they will require future renegotiations with the Trustees. Since the contribution level after the minimum fixed period can only be set after negotiations between the employer and the trustees of the plan, we would like to confirm with the IFRS IC our understanding of the principle to be applied. We understand that, while future service is still assumed, an entity needs to make its best estimate of what it expects the outcome of the re-negotiations for the future minimum funding requirements to be after the end of the minimum fixed period. If it is the IFRS IC's view that an entity needs to estimate the expected future minimum funding requirements that will be re-negotiated after the end of the minimum fixed period, given the overall agreement with the pension fund trustees, it would be helpful to clarify what the 'funding principles' are and how this estimate is determined.

In doing so, it would be helpful to constituents if the IFRS IC clarified that the estimated contributions for future services, after the end of the minimum fixed period, should not be considered *by default as*:

- Dropping to zero as this may lead to inconsistencies with the future funding level of the pension plan

  Or

- Remaining the same as the current negotiated funding level, as this would lead to an overestimation of the defined benefit asset if a low minimum funding requirement applies during the minimum fixed period, for example because of a surplus in the pension plan.

Should you wish to discuss the contents of this letter with us, please contact Leo van der Tas at the above address or on +44 (0)20 7951 3152.

Yours faithfully

Ernst & Young Global Limited

Wayne Upton
IFRS Interpretations Committee
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Ref: IFRS Interpretations Committee's tentative agenda decision on IFRIC 14 ***IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*****:**

Dear Mr Upton,

The European Securities and Markets Authority (ESMA) thanks you for the opportunity to respond to the IFRS Interpretations Committee's (IFRS IC) publication in the March 2015 IFRIC Update of a tentative agenda decision related to application of IFRIC 14. We are pleased to provide you with the following comments with the aim of improving the consistent application and enforceability of IFRSs.

ESMA has considered the IFRS IC's tentative decision not to add to its agenda the request related to the period over which the future minimum funding requirement for contributions to cover future service applies. ESMA welcomes the clarification provided by the IFRS IC that an entity should assume that funding would continue after the minimum period that has been agreed with the trustees. ESMA believes that this clarification is consistent with the underlying principles of IFRIC 14.

However, ESMA encourages the IFRC IC to provide further guidance on the accounting treatment in circumstances when the level of the contributions will be subject to future negotiations after the minimum period. ESMA observes that the tentative agenda decision states that '*[…] the level of the contributions will be subject to future negotiations, although the entity must continue to make contributions for future service under the* ***existing funding principles*** *[…]'* and *'[...] the estimate should not include changes to the* ***funding principles*** *to determine contributions for future service, if such changes require future negotiations with the Trustees [...]* [emphasis added]'

Whereas changes to the level of contributions after the minimum period can be made without making changes to the funding principles, in ESMA's view it remains unclear what level of contributions an issuer should take into account in their calculation. Therefore, as the term '*existing funding principles'* is not defined in IFRIC 14, ESMA is of the opinion that the final agenda decision should clarify its meaning and explain its relationship to the minimum funding basis referred to in paragraph 21 of IFRIC 14. Furthermore, such a clarification could be made also in relation to Example 3 in the Illustrative Examples to IFRIC 14 by explaining how the wording of the tentative agenda decision is consistent with the illustration of the underlying principles.

In particular, ESMA urges the IFRC IC to explicitly clarify whether the issuer should assume that the agreed contribution rate will continue over the life of the pension plan or whether it should develop expectations of how these contributions will develop in the future after the minimum period. In the latter case, ESMA would be concerned about the degree of subjectivity that could be introduced into accounting as an entity would need to estimate how its surplus and, therefore, its funding contributions would vary over the life of the plan.

While ESMA agrees that the issue could be addressed through an agenda decision, ESMA acknowledges that the need for clarifications referred to in this letter might lead the IFRS IC to reconsider whether the agenda decision is the appropriate tool to address the issue identified in the submission. Consequently, the IFRS IC might need to reconsider whether, in light of the need for this clarification, a sufficient guidance exists so that neither an interpretation nor an amendment to the Standard are necessary, and therefore, whether this issue should be added to its agenda.

We would be happy to discuss these issues further with you.

Yours sincerely,

Steven Maijoor