

STAFF PAPER

September 2016

IFRS® Interpretations Committee Meeting

Project	Exposure Draft of proposed amendments to IAS 19 and IFRIC 14		
Paper topic	Cover Memo		
CONTACT(S)	Kan Hara	khara@ifrs.org	+44 (0)20 7246 6968
	Jawaid Dossani	jdossani@ifrs.org	+44 (0)20 7332 2742

This paper has been prepared for discussion at a public meeting of the IFRS Interpretations Committee (the Interpretations Committee). Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of IFRS Standards—only the Interpretations Committee or the International Accounting Standards Board (the Board) can make such a determination. Decisions made by the Interpretations Committee are reported in IFRIC® *Update*. The approval of a final Interpretation by the Board is reported in IASB® *Update*.

Background

1. In June 2015, the International Accounting Standards Board (the Board) published the [Exposure Draft Remeasurement on a Plan Amendment, Curtailment or Settlement/ Availability of a Refund from a Defined Benefit Plan](#) (the ED).
2. The comment period for the ED ended in October 2015. Seventy-eight respondents provided feedback on the proposals. The comment letters can be accessed [here](#).
3. The ED asked respondents to provide views on the proposed amendments in relation to:
 - (a) the accounting when other parties can wind up a plan or affect benefits for plan members without an entity's consent (Q1);
 - (b) the statutory requirements an entity considers in determining the economic benefit available to the entity (Q2);
 - (c) the interaction between the asset ceiling and past service cost or a gain or loss on settlement (Q3);
 - (d) the accounting when a plan amendment, curtailment or settlement occurs (Q4); and
 - (e) the transition requirements (Q5).

Purpose and Structure

4. At its July 2016 meeting, the IFRS Interpretations Committee (the Interpretations Committee) discussed a summary of the feedback on the ED but was not asked to make decisions.
5. The papers for this meeting analyse the feedback on the proposed amendments to IAS 19 *Employee Benefits* and IFRIC 14 *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The proposals in the ED arose as a result of discussions by the Interpretations Committee and the subsequent recommendations it made to the Board. Consequently, these papers are intended to draw on the Interpretations Committee’s experience of these issues, and to ask the Interpretations Committee to make recommendations to the Board. In particular:
 - (a) Agenda Paper 3A analyses the feedback on the proposed amendments to IFRIC 14 to address the availability of a refund from a defined benefit plan (Q1 and Q2 of the ED);
 - (b) Agenda Paper 3B analyses the feedback on the proposed amendments to IAS 19 to address remeasurement when a plan amendment, curtailment or settlement occurs (Q3 and Q4 of the ED); and
 - (c) Agenda Paper 3C analyses the feedback on the proposed transition requirements of the proposed amendments to IAS 19 and IFRIC 14 (Q5 of the ED).
6. In Agenda Papers 3A and 3B, we analyse what we consider to be the main issues for redeliberation and have outlined our recommended approach to address these issues. In addition, in Appendix A to those papers, we summarise other issues raised in comment letters, together with our recommended approach to address those matters.

7. For ease of reference, we have also reproduced Agenda Papers 6A and 6B from the Interpretations Committee’s July 2016 meeting, which summarised the feedback received on the ED:
- (a) Agenda Paper 3D for this meeting reproduces [Agenda Paper 6A](#) of the Interpretations Committee’s July 2016 meeting. This paper summarises the feedback received on the proposed amendments to IFRIC 14 and the related transition requirements (Q1, Q2 and Q5 of the ED).
 - (b) Agenda Paper 3E for this meeting reproduces [Agenda Paper 6B](#) of the Interpretations Committee’s July 2016 meeting. This paper summarises the feedback received on the proposed amendments to IAS 19 and the related transition requirements (Q3, Q4 and Q5 of the ED).

Next steps

8. Subject to the Interpretations Committee’s discussions at this meeting, we will present the Interpretations Committee’s recommendations to the Board at a future Board meeting.