

D19 Comment Letters
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: CommentLetters@iasb.org

cc: info@efrag.org ; ff@unice.be

Stockholm, October 27, 2006

IFRIC Draft Interpretation D19 – *The asset ceiling: Availability of Economic Benefits and Minimum Funding Requirements*

The Swedish Enterprise Accounting Group (SEAG) is a forum for Chief Accountants from the largest Swedish listed companies. SEAG is administered by the Confederation of Swedish Enterprise, to which most participating companies of SEAG are joined.

Representing preparers' point of view, SEAG welcomes the opportunity to comment on the abovementioned draft.

The draft itself illustrates, accidentally, the complexity of the subject to which the interpretation issue is to be applied. We note, during the difficult process of capturing the draft, that also other commentators come to conclusions which leave room for uncertainty as to what the Draft is about to resolve. The reason for this is, to our view, the difficulty for “non IAS 19 specialized” preparers to make a proper evaluation of the issue and its suggested consensus. We would therefore expect a broader, more comprehensive presentation of the interpretation issue and its solutions. It should be aimed at facilitating for the non-specialized community of preparers and auditors, among others, to apprehend how the resulting final reporting will be affected by the issue without having to master all the details of the regulatory background.

We identify no problem with the interpretation of the asset ceiling in itself. We regard the indicated alternatives D19.9 as practicable for measuring the refundable amount to the entity.

We feel however that the applicability of the ceiling invites to ambiguous interpretations. It seems not entirely clear whether an asset ceiling is applicable or not in a deficit situation. The logic from IAS 19 says it should not occur in the deficit situation, but D19.4 indicates the opposite.

We also question D19.13 from point of view of practicability. The requirement to calculate the service cost and minimum contributions for each year of the expected life of the plan is a very demanding one.

We expect IFRIC to put much more attention to the examples. They need to be there but need to be much more pedagogically developed. We would expect a starting point made by a representative set of parameters in one example, which then would be changed for different situations of actuarial gains and losses. This would provide for demonstrations of both increased complexity and increased simplicity in reference to the starting point.

We are pleased to be at your service in case further clarification to our comments will be needed.

Yours sincerely,

CONFEDERATION OF SWEDISH ENTERPRISE

Carl-Gustaf Burén
Secretary of the Swedish Enterprise Accounting Group