



**DRAFT ENDORSEMENT ADVICE AND EFFECTS STUDY REPORT ON IAS 19  
EMPLOYEE BENEFITS (AS AMENDED IN JUNE 2011)**

**INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS**

Comments should be sent to [commentletters@efrag.org](mailto:commentletters@efrag.org) or  
uploaded via our website by 29 September 2011

EFRAG has been asked by the European Commission to provide it with advice and supporting material on IAS 19 *Employee Benefits*, as amended in June 2011 (IAS 19 (2011)). In order to do that, EFRAG has been carrying out an assessment of IAS 19 (2011) against the technical criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that would arise from its implementation in the European Union (the EU) and European Economic Area.

A summary of IAS 19 (2011) is set out in Appendix 1.

Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record, unless the respondent requests confidentiality. In the interest of transparency EFRAG will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

**Please note that IAS 19 (2011) refers to IFRS 13 *Fair value Measurements*, which will be subject to a separate endorsement process.**

**EFRAG initial assessments summarised in this questionnaire will be amended to reflect EFRAG's decisions on Appendix 2 and 3.**

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

UK Accounting Standards Board (ASB)

- (b) Are you a:

Preparer  User  Other (please specify)

Standard-setter

- (c) Please provide a short description of your activity:

The role of the ASB is to oversee the financial reporting requirements of UK (and Irish) entities. This is done by maintaining and improving UK Financial

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Reporting Standards (FRS) and influencing the development of international standards. To achieve this, the ASB collaborates with accounting standard-setters from other countries and the International Accounting Standards Board (IASB).

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(d) Country where you are located:

United Kingdom

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(e) Contact details including e-mail address:

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2 EFRAG's initial assessment of IAS 19 (2011) is that it meets the technical criteria for endorsement. In other words, it is not contrary to the principle of true and fair view and it meets the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

(a) Do you agree with this assessment?

X Yes  No

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

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(b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of IAS 19 (2011)? If there are, what are those issues and why do you believe they are relevant to the evaluation?

No

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3 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of IAS 19 (2011) in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this Invitation to Comment will be used to complete the assessment.

4 The results of the initial assessment of costs are set out in paragraphs 1-12 of Appendix 3. To summarise, EFRAG's initial assessment is that the Amendments are likely to result in an increase in costs for preparers (mainly one-off costs) and in cost savings for users.

Do you agree with this assessment?

X Yes  No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

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- 5 In addition, EFRAG is assessing the benefits that are likely to be derived from IAS 19 (2011). The results of the initial assessment of benefits are set out in paragraphs 13-17 of Appendix 3. To summarise, EFRAG's initial assessment is that that users and preparers are likely to benefit from the Amendments.

Do you agree with this assessment?

X Yes  No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

- 6 EFRAG has tentatively concluded that the benefits to be derived from implementing IAS 19 (2011) in the EU as described in paragraph 5 above are likely to outweigh the costs involved as described in paragraph 4 above.

Do you agree with this assessment?

X Yes  No

If you do not agree with this assessment, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

- 7 EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on IAS 19 (2011).

Do you agree that there are no other factors?

X Yes  No

If you do not agree, please provide your arguments and indicate how this should affect EFRAG's endorsement advice?

