



OICV- IOSCO

Organización Internacional de Comisiones de Valores  
International Organisation of Securities Commissions  
Organisation internationale des commissions de valeurs  
Organização Internacional das Comissões de Valore

July 28, 2009

Exposure Draft: Prepayments of a Minimum Funding Requirement  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

**RE: Prepayments of a Minimum Funding Requirement (Proposed amendments to IFRIC 14)**

Dear IASB Members:

The International Organization of Securities Commissions (IOSCO) Standing Committee No. 1 on Multinational Disclosure and Accounting (Standing Committee No. 1) thanks you for the opportunity to provide our comments regarding the International Accounting Standards Board (IASB or the Board) Exposure Draft on Prepayments of a Minimum Funding Requirement – Proposed amendments to IFRIC 14 (the ED or the Exposure Draft).

IOSCO is committed to promoting the integrity of international markets through promotion of high quality accounting standards, including rigorous application and enforcement. Members of Standing Committee No. 1 seek to further IOSCO's mission through thoughtful consideration of accounting and disclosure concerns and pursuit of improved transparency of global financial reporting. The comments we have provided herein reflect a general consensus among the members of Standing Committee No. 1 and are not intended to include all of the comments that might be provided by individual securities regulator members on behalf of their respective jurisdictions.

**General Comment**

We agree with the Board's conclusion that a prepayment of a minimum funding requirement represents a future economic benefit to an entity and, accordingly, should be recognized as an asset.

**Other Comments**

We recommend the following revisions to better clarify the Board's proposed amendments:

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- New paragraph 20(a): we suggest adding the underlined language below to clarify that (1) the prepaid asset should be amortized in subsequent periods and (2) it should not exceed the amount by which future minimum funding requirements have been reduced.

...the remaining amount of any prepayment of the minimum funding requirement contributions, ie ~~any~~ the remaining amount of any minimum funding requirement contributions that the entity has paid before being required to do so to the extent that it gives the entity the right to reduce future periods' minimum funding requirement contributions as of the reporting date...

- New paragraph 20(b)(ii): we recommend adding reference to “present value,” which appears to have been deleted in error in the ED, as follows:

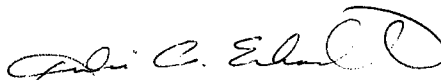
...the present value of the estimated future service cost in each year period in accordance with paragraphs 16**(b)** and 17, less ~~(b)~~ the estimated minimum funding requirement contributions that would be required ~~in respect of the~~ for future ~~accrual of benefits~~ service in that year period if there were no prepayment of those contributions as described in (a).

- Paragraph IE16: consider conforming subparagraphs (a) and (b) to the ED's revisions to paragraph 20(a) and (b), and providing the amounts involved, similar to the presentation in paragraph IE26.

\* \* \* \*

We appreciate your thoughtful consideration of the comments raised in this letter. If you have any questions or need additional information on the recommendations and comments that we have provided, please do not hesitate to contact me at 202-551-5300.

Sincerely,



Julie A. Erhardt  
Chairman  
IOSCO Standing Committee No. 1