

30 July 2013

Michael Stewart
International Accounting Standards Board
1st Floor 30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sirs,

RESPONSE TO EXPOSURE DRAFT – DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS

The Institute of Singapore Chartered Accountants (ISCA), formerly the Institute of Certified Public Accountants of Singapore (ICPAS), appreciates the opportunity to comment on the above exposure draft (ED) issued by the International Accounting Standards Board (IASB) in March 2013.

Our comments on the proposed amendments in the ED are as follows:

Question 1:

The IASB proposes to amend IAS 19 to specify that contributions from employees or third parties set out in the formal terms of a defined benefit plan may be recognised as a reduction in the service cost in the same period in which they are payable if, and only if, they are linked solely to the employee’s service rendered in that period. An example would be contributions that are a fixed percentage of an employee’s salary, so the percentage of the employee’s salary does not depend on the employee’s number of years of service to the employer.

Do you agree? Why or why not?

We agree with this proposal as the amendment provides clarification on the treatment of applicable contributions as described in BC2 of the ED.

Question 2:

The IASB also proposes to address an inconsistency in the requirements that relate to how contributions from employees or third parties should be attributed when they are not recognised as a reduction in the service cost in the same period in which they are payable. The IASB proposes to specify that the negative benefit from such contributions is attributed to periods of service in the same way that the gross benefit is attributed in accordance with paragraph 70.

Do you agree? Why or why not?

We agree with this proposal as the inclusion of a practical expedient to paragraph 93 will reduce complexity and avoid confusion for preparers as outlined in BC7 of the ED.

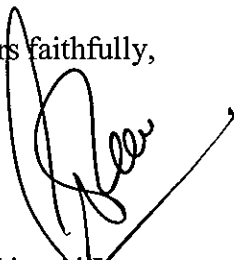
Question 3:

Do you have any other comments on the proposals?

We have no other comments on the proposals.

Should you require any further clarification, please feel free to contact Mr Benjamin Oh, Manager, Technical Standards Development and Advisory, from ISCA via email at benjamin.oh@isca.org.sg.

Yours faithfully,



Ms Lim Ai Leen
Executive Director
Technical Knowledge Centre and Quality Assurance