

Jenny Carter
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20 November 2014

Dear Jenny

RESPONSE OF THE ACCOUNTING COMMITTEE OF CHARTERED ACCOUNTANTS IRELAND

FRED 55: Draft Amendments to FRS 102 – Pension Obligations

The Accounting Committee (AC) of Chartered Accountants Ireland welcomes the opportunity to comment on the Financial Reporting Exposure Draft (FRED) containing the proposed amendments to the FRS 102 in relation to pension obligations.

The responses to the individual questions posed in the ED are set out below.

Question 1

Do you agree that FRS 102 should be amended to clarify that an entity is not required to recognise any additional liabilities to reflect an agreement with a defined benefit plan to fund a deficit, where the entity has already measured and recognised its defined benefit obligation/asset in accordance with paragraphs 28.15 and 28.18 (and additionally for assets, paragraph 28.22) of FRS 102, even though this may differ from the accounting required by entities applying EU-adopted IFRS? If not, why not?

AC agrees with the proposed amendment to FRS 102 on the basis that the amendment clarifies an existing uncertainty and is a practical and proportionate solution to measuring a defined benefit obligation.

AC notes that FRS 102, para 28.41(a) requires disclosure of “A general description of the type of plan, including funding policy”. AC believes that disclosure of such a funding policy would include details of any agreement between the reporting entity and the defined benefit plan to fund a deficit. AC suggests the FRC supplement the disclosure requirement of FRS 102, para 28.41(a) by stating that such a funding policy includes a schedule of contributions that has been agreed between the reporting entity and defined benefit plan to fund a deficit.



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Question 2

Do you agree with the proposed new paragraph 28.15A of FRS 102 and the other proposed amendments to FRS 102? If not, why not?

AC agrees with the proposed new paragraph 28.15A of FRS 102 and the other proposed amendments to FRS 102.

Should you wish to discuss any of the views expressed, please feel free to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Mark Kenny".

Mark Kenny
Secretary to the Accounting Committee

