

Michelle Sansom
UITF Technical Director
Accounting Standards Board
5th Floor
Aldwych House
71-79 Aldwych
London WC2B 4HN
United Kingdom

10 November 2010

Dear Michelle

**RESPONSE OF THE ACCOUNTING COMMITTEE OF CHARTERED ACCOUNTANTS
IRELAND**

**DRAFT UITF ABSTRACT: ACCOUNTING IMPLICATIONS OF THE REPLACEMENT OF
THE RETAIL PRICES INDEX WITH THE CONSUMER PRICES INDEX FOR RETIREMENT
BENEFITS**

The Accounting Committee ('AC') of Chartered Accountants Ireland commends the UITF for addressing this significant matter promptly with a view to issuing an Abstract as soon as possible. AC is also conscious that IFRS reporters in the UK and Ireland may well have regard to the UITF Abstract in applying IAS 19 on this issue.

Accordingly, AC considers it is imperative that the consensus reached by the UITF be expressed with complete clarity, so that there can be no room for inconsistent reading of that consensus. AC notes the draft consensus that the effect of benefit changes goes to profit or loss, while the effect of assumption changes goes to the statement of total recognised gains or losses, as required by FRS 17.

To the extent that the consensus is that the terms of the plan, particularly whether the retail prices index (RPI) is hard-coded therein, together with related constructive obligation, dictate whether the change relates to the obligation or to the assumption, this should be clear so that preparers can proceed to examine the terms of their own plans and assess related constructive obligations.

AC also suggests that the UITF considers paragraph A10 in relation to whether a change to the constructive obligation would require "the agreement of scheme trustees and/or members" or whether it could equally arise from a statement or announcement by the employer that would change the valid expectations of the members.

Should you wish to contact us about any of our comments please feel free to do so.

Yours faithfully

Mark Kenny
Secretary to the Accounting Committee