



Accounting Standards Board

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International Accounting Standards Board
30 Cannon Street
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23 July 2009

Dear Sirs

Exposure Draft Prepayments of a Minimum Funding Requirement (ED/2009/4)

I am responding on behalf of the Accounting Standards Board (ASB) to the Exposure Draft Prepayments of a Minimum Funding Requirement proposed amendment to IFRIC 14.

The ASB supports the IASB in addressing the unintended consequence that arises from IFRIC 14 regarding the accounting treatment of prepayments for minimum funding contributions.

The ASB supports the IASB reasoning that an entity expects to obtain future economic benefits from a prepayment in the form of reduced cash flows in future years in which payments would otherwise have been required. Those cash outflows relate to both future service costs and future minimum funding requirements (MFR) contributions and consequently the entity has an asset.

Should you have any queries regarding our response please contact me or Michelle Sansom, Project Director, on 020 7492 2432 or by email m.sansom@frc-asb.org.uk.

Yours sincerely

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