



**ASSOCIATION ACTUARIELLE INTERNATIONALE
INTERNATIONAL ACTUARIAL ASSOCIATION**

24 December 2015

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir,

Re: IASB Request for Views – 2015 Agenda Consultation

We appreciate the opportunity to comment on the 2015 Agenda Consultation of the International Accounting Standards Board (IASB). I am pleased to transmit, on behalf of the International Actuarial Association (IAA), our comments.

The IAA represents the international actuarial profession. Our sixty-seven Full Member actuarial associations, listed in [Appendix A](#) to this statement, represent more than 95% of all actuaries practicing around the world. The IAA promotes high standards of actuarial professionalism across the globe and serves as the voice of the actuarial profession when dealing with other international bodies on matters falling within or likely to have an impact upon the areas of expertise of actuaries.

These comments have been prepared by a task force appointed by the Insurance Accounting Committee and the Pensions and Employee Benefit Committee of the IAA, whose members are listed in [Appendix B](#) to these comments. It has also been subject to the due process required for it to constitute a formal view of the IAA, and will be posted to the IAA's official web site.

In the paragraphs below we provide responses to the questions posed in the Request for Views for which we feel we can make a meaningful contribution.

Q1 The IASB's work plan includes five main areas of technical projects:

- (a) its research programme;*
- (b) its Standards-level programme;*
- (c) the Conceptual Framework;*
- (d) the Disclosure Initiative; and*
- (e) maintenance and implementation projects.*

What factors should the IASB consider in deciding how much of its resources should be allocated to each area listed above?

We recognize that the IASB is faced with allocating limited resources across many deserving areas. One of the factors that may drive the level impact of the IASB's resourcing decisions is the extent to which particular projects have application in multiple areas of financial reporting. With that in mind, the projects on the Conceptual Framework and some research projects may offer greater leverage from the investment of resources than some other choices. For example, the work on distinguishing liabilities and equity may assist with a number of areas where there is risk sharing through arrangements that aren't traditional equity, like membership rights in mutual organizations (e.g. mutual insurers), puttable residual interests or obligations to issue own shares.

Q2 The IASB's research programme is laid out in paragraph 32 and a further potential research topic on IFRS 5 is noted in paragraph 33.

Should the IASB:

- (a) add any further projects to its research programme? Which projects, and why? Please also explain which current research projects should be given a lower priority to create the capacity for the IASB to make progress on the project(s) that you suggested adding.*
- (b) remove from its research programme the projects on foreign currency translation (see paragraphs 39–41) and high inflation (see paragraphs 42–43)? Why or why not?*
- (c) remove any other projects from its research programme?*

We support further work on the projects on discounting and on post-employment benefits (including pensions), listed in the request for views. The IAA is committed to supporting the IASB as it works through the technical issues associated with these projects.

We support the work and findings made by the IASB staff to date on these research projects.

In particular, with regard to the discount rate project, we note the inconsistencies that exist across existing standards. We also note while the exposure draft of the Conceptual Framework covers cash flow based measurement techniques, it does not provide guidance on discount rates.

With regard to the post-employment benefit projects, we note the increasing use of hybrid funds in some jurisdictions and the concerns about the applications of the DB focused rules in IAS 19 to those funds for financial reporting.

Given the technical nature of these projects we understand that they are likely to require significant time and resources for the IASB to pursue. To assist the IASB with meeting these demands, the IAA offers its actuarial technical expertise and experience.

Q4 Do you have any comments on the IASB's current work plan for major projects?

We support the IASB's effort to conclude its project on Insurance Contracts.

* * *

As noted above, these comments have been prepared by a task force appointed by the Insurance Accounting Committee and the Pensions and Employee Benefit Committee of the IAA. If, upon reading these comments, you identify any points that you wish to discuss or obtain further insight regarding them, please do not hesitate to contact William Hines, Chair of the Insurance Accounting Committee, care of the [IAA Secretariat](#). The IAA will be pleased to develop these ideas further with you.

Yours sincerely,



Fred Rowley
President

Appendix A

Full Member Associations of the IAA (67 members)

(24 December 2015)

Caribbean Actuarial Association
Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (Argentina)
Actuaries Institute Australia (Australia)
Aktuarvereinigung Österreichs (AVÖ) (Austria)
Institut des Actuairens en Belgique (Belgique)
Aktuarsko Društvo U Bosni I Hercegovini (Bosnia and Herzegovina)
Instituto Brasileiro de Atuária (IBA) (Brazil)
Bulgarian Actuarial Society (Bulgaria)
Canadian Institute of Actuaries/Institut Canadien des Actuairens (Canada)
China Association of Actuaries (China)
Actuarial Institute of Chinese Taipei (Chinese Taipei)
Asociación Colombiana de Actuarios (Colombia)
Institut des Actuairens de Côte d'Ivoire (Côte D'Ivoire)
Hrvatsko Aktuarsko Društvo (Croatia)
Cyprus Association of Actuaries (Cyprus)
Česká Společnost Aktuárů (Czech Republic)
Den Danske Aktuarforening (Denmark)
Egyptian Society of Actuaries (Egypt)
Eesti Aktuaaride Liit (Estonia)
Suomen Aktuaariyhdistys (Finland)
Institut des Actuairens (France)
Deutsche Aktuarvereinigung e. V. (DAV) (Germany)
Hellenic Actuarial Society (Greece)
Actuarial Society of Hong Kong (Hong Kong)
Magyar Aktuárius Társaság (Hungary)
Félag Íslenskra Tryggingastærðfræðinga (Iceland)
Institute of Actuaries of India (India)
Persatuan Aktuaris Indonesia (Indonesia)
Society of Actuaries in Ireland (Ireland)
Israel Association of Actuaries (Israel)
Istituto Italiano degli Attuari (Italy)
Institute of Actuaries of Japan (Japan)
Japanese Society of Certified Pension Actuaries (Japan)
The Actuarial Society of Kenya (Kenya)
Latvijas Aktuaru Asociācija (Latvia)
Lebanese Association of Actuaries (Lebanon)
Lietuvos Aktuaru Draugija (Lithuania)

Full Member Associations of the IAA (67 members)

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Persatuan Aktuari Malaysia (Malaysia)
Colegio Nacional de Actuarios A. C. (Mexico)
Association Marocaine des Actuaire (Morocco)
Het Koninklijk Actuarieel Genootschap (Netherlands)
New Zealand Society of Actuaries (New Zealand)
Den Norske Aktuarforening (Norway)
Pakistan Society of Actuaries (Pakistan)
Actuarial Society of the Philippines (Philippines)
Polskie Stowarzyszenie Aktuariuszy (Poland)
Instituto dos Actuários Portugueses (Portugal)
Asociatia Romana de Actuarat (Romania)
Russian Guild of Actuaries (Russia)
Udruzenje Aktuara Srbije (Serbia)
Singapore Actuarial Society (Singapore)
Slovenska Spolocnost Aktuarov (Slovakia)
Slovensko Aktuarsko Drustvo (Slovenia)
Actuarial Society of South Africa (South Africa)
Institute of Actuaries of Korea (South Korea)
Col.legi d'Actuaris de Catalunya (Spain)
Instituto de Actuarios Españoles (Spain)
Svenska Aktuarieföreningen (Sweden)
Association Suisse des Actuaire (Switzerland)
Society of Actuaries of Thailand (Thailand)
Association of Consulting Actuaries (United Kingdom)
Institute and Faculty of Actuaries (United Kingdom)
American Academy of Actuaries (United States)
American Society of Pension Professionals & Actuaries (United States)
Casualty Actuarial Society (United States)
Conference of Consulting Actuaries (United States)
Society of Actuaries (United States)

Appendix B

Members of the joint task force appointed by the Insurance Accounting Committee and the Pensions and Employee Benefit Committee of the IAA

(24 December 2015)

Robert Buchanan
Micheline Dionne
Stefan Engeländer
Dave Finnis
Yasuyuki Fujii
Tim Furlan
William Hines
Jason Malone
James B Milholland
Francis Ruygt
James F Verlautz
Derek Wright