



Deadline: 14 March 2014

Please use this template to comment on the [Exposure Draft of ISAP 3 Actuarial Practice under IAS 19 Employee Benefits](#), and the [ISAP 3 Glossary \(ED\) markedup](#).

	Identification and instructions	
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Simon Sutcliffe, Chair Caribbean Actuarial Association Pension Committee
Name of organization		Caribbean Actuarial Association
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	No
Instructions for filling in and sending the template	<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not write in the yellow shaded cells ⇒ Write in the white cells ⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> ○ Please use a separate row for each paragraph, sub paragraph, or bullet. ○ Please include the full reference in the first column such as "Introduction 3rd paragraph 2nd bullet" or "2.6.1.b.ii" ○ Please insert/append extra rows as needed. <p>Please send the completed template, renamed with the organization's or individual's name, attached in <u>Word Format</u>, to</p> <p>ISAP3.ISAP.comments@actuaries.org.</p>	



	Specific Questions asked by the ASC	Response
Q1.	Is the guidance clear and unambiguous? If not, how should it be changed?	Yes apart from reference to IFRIC 14
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Yes
Q3.	Is it clear how the guidance in the proposed ISAP relates to the guidance in ISAP 1? If not, how should it be changed?	Yes
Q4.	Is the guidance at the right level of detail? If not, what text should be omitted because it is too detailed? In what areas do actuaries need more detailed guidance?	Needs more guidance regarding setting assumptions in countries where financial markets are relatively undeveloped and/or statistical data to assist in setting assumptions is lacking. If necessary, the ISAP should state that the actuary should bring the possible range of assumptions that might satisfy IAS 19 to the attention of the reporting entity. In some countries this range could be quite wide.
Q5.	The proposed ISAP does not currently provide specific guidance to actuaries advising the reporting entity on the information that should be included in the IFRS report to meet IAS 19's disclosure objectives (the appendix contains educational material on these disclosures). Should the ISAP be expanded to provide guidance in this area? If so, what should the guidance be?	No. The information required to be included in the financial statements is set out in the IAS 19 standard and is an issue for the reporting entity and if applicable, its auditor.
Q6.	Are there other matters that should be included in this standard on actuarial work in connection with IAS 19 Employee Benefits? Are there some included here that should not be?	No



General Comments on the Exposure Draft	
	<p>Section 2.6 implies that the assumptions that a reporting entity should use for its IAS 19 disclosures can be determined with a fairly high degree of accuracy. We do not believe this to be the case for entities reporting in the Caribbean. In our opinion, there is a range of assumptions that satisfy the requirements of IAS 19 and for entities reporting in the region this range can be quite wide. For example, it is very difficult for an actuary to recommend an appropriate discount rate for entities reporting in Guyana as the longest duration of regularly issued government debt is 364-day treasury bills. We therefore recommend that the ISAP includes a section that where necessary, the actuary should raise this uncertainty with the reporting entity.</p> <p>In section 2.7.4 we are not sure why the actuary should seek guidance from the principal if the asset ceiling applies and in particular to ask whether IFRIC 14 applies. We would expect the actuary to discuss the issue with the reporting entity if necessary, and to advise on the application of the asset ceiling in accordance with the requirements of IAS 19 (using the guidance provided by IFRIC 14 as required). We suggest that this section be re-worded.</p>

Comments on specific paragraphs of the Exposure Draft		
Full paragraph reference	Change proposed to the paragraph (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)