VMEBF
Bilanzierung in Familienunternehmen

IFRS Foundation
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London E14 4HD
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Weinheim, 1/12/22

Dear Sir or Madam,

RE: ED/2021/3: Disclosure Requirements in IFRS Standards – A Pilot Approach

We appreciate the opportunity to comment on the IASB´s Exposure Draft "Disclosure Requirements in IFRS Standards – A Pilot Approach" (ED/2021/3). With this letter, we would like to contribute to the Board´s due process and take part in the discussion on the questions stated in the Exposure Draft.

The Association for Participation in the Development of Accounting Regulations for Family-owned Entities (VMEBF) was founded in 2006 and consists of German companies with a strong family shareholder background. Beyond its members, the association represents a huge number of family-owned large and medium-sized entities in Germany, often legally organised in the form of partnerships. The objective of the VMEBF association is to make the role of German family businesses as stakeholders in the development of international (financial) reporting more visible and to act as a constructive partner for the standard-setters.

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We principally support the idea of an approach to disclosure requirements that could on the one hand reduce the use of extensive disclosure checklists and on the other hand would increase the effectiveness of the application of judgement.

Yet, although we principally agree with the IASB's objectives in developing this ED, we do not think that the proposals as stated in the ED will mandatorily help reducing disclosures and simplify the application of disclosure requirements. Instead, we believe that the proposed approach will lead to reduced comparability between entities and incur excessive costs on sides of preparers of financial statements as well as auditors and regulators. This is due to the fact that, when applying the proposed approach, an entity will always have to collect information on all potentially relevant disclosures in order to apply judgement about what should actually be disclosed.

Moreover, the proposed approach would require preparers of financial statements to determine the information that might meet the needs of the users of their financial statements. Thus, without a consequent and structured stakeholder dialogue, preparers of financial statements would not be able to substantiate their perspective on the supposed information needs of the financial statement users. Besides, different users of financial statements will have different information needs. Accordingly, it might be challenging for preparers of financial statements to assess and develop balanced information needs of a huge number of users with varying information requirements. This would then require preparers to broadly explain how they satisfied the specific disclosure objectives and document the reasons for certain disclosures being made or omitted – leading to excessive additional costs for data collection and evaluation.

In order to identify the practical challenges that preparers of financial statements might face applying the proposed approach, the IASB should undertake further substantial outreach activities involving a significant number of preparers of financial statements (including entities that are not publicly listed) as well as national standardsetters, auditors and users of financial statements.

We certainly understand that the Board has to balance its objectives when developing new standards. However, we believe that an approach intensifying the discussion on materiality of disclosures and defining a narrow set of minimum disclosure requirements might lead to a practicable reduction in information to be disclosed without forcing each entity into a complex process of assessing users' information needs and exercising judgement on an individual basis. As a consequence, using general and specific disclosure objectives supplementing a narrow set of minimum disclosures and an intensified discussion on materiality could be helpful when developing future disclosure requirements.

With regard to the proposed amendments to IFRS 13 and IAS 19, we principally agree with the IASB that the disclosure objectives proposed in the ED could result in the provision of useful information that meet the information needs of users of financial statements about assets and liabilities measured at fair value in the statement of financial position after initial recognition and about employee benefit plans. However, we believe that already today the disclosure requirements of IFRS 13 and IAS 19 widely respond to the proposed objectives. Hence, we do not see the additional benefits to be provided by implementing the approach proposed in ED/2021/3. We would therefore propose the IASB to only introduce the proposed approach to standards that are to be revised or newly developed by the Board in future.

Please refer to the appendix to this letter for our detailed answers to the questions asked in ED. If you have any further questions, please do not hesitate to contact us.

Kind regards,

Association for Participation in the Development of
Accounting Regulations for Family-owned Entities (VMEBF)

Santokh Advani | Dr Hans-Jörg Harth | Dr Michael Reuter

Prof. Dr Dieter Truxius | Dr Thomas Ull

Appendix:
VMEBF comments on the additional questions

<u>Question 1 – Using overall disclosure objectives</u>

Paragraphs DG5–DG7 of this Exposure Draft explain how the Board proposes to use overall disclosure objectives in future.

a) Do you agree that the Board should use overall disclosure objectives within IFRS Standards in future? Why or why not?

b) Do you agree that overall disclosure objectives would help entities, auditors and regulators determine whether information provided in the notes meets overall user information needs? Why or why not?

We agree with the Board, that using overall disclosure objectives when developing future IFRS Standards could be helpful for preparers of financial statements, auditors and regulators to determine whether the information provided meets the needs of the users of financial statements. We also agree with the Board, that extending the cooperation with users of financial statements and other stakeholders early in the standard-setting process could help the Board to understand what kind of financial information users need and for what purpose the information is used.

However, if those overall objectives are not confined sufficiently, preparers of financial statements will always face the danger of not having provided all the information required to meet those rather generally formulated objectives. Moreover, we believe that it will be vital for the frictionless implementation of such an approach to synchronise those objectives with existing disclosure requirements in IFRS Standards in order to avoid inconsistencies and confusion.

Finally, although the Board points to the fact that it wants to avoid making generic or overarching references to materiality in the disclosure sections of individual IFRS Standards, we would encourage the Board to further explain the relationship between the disclosure objectives and the concept of materiality in order to clarify the proposals in the ED.

<u>Question 2 – Using specific disclosure objectives and the disclosure problem</u>

Paragraphs DG8–DG10 of this Exposure Draft explain how the Board proposes to use specific disclosure objectives in future.

a) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would help entities apply judgements effectively when preparing their financial statements to:

(i) provide relevant information;

(ii) eliminate irrelevant information; and

(iii) communicate information more effectively?

Why or why not? If not, what alternative approach would you suggest and why?

b) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would provide a sufficient basis for auditors and regulators to determine whether an entity has applied judgements effectively when preparing their financial statements? Why or why not?

We believe that the development of specific disclosure objectives and a precise explanation of the users' information needs could help entities to identify which information they have to disclose and to apply judgement in this context effectively. Such objectives could also help auditors and regulators to assess whether and how an entity has applied judgement in preparing the notes to the financial statements. On the other hand, rather generally formulated disclosure objectives would not help preparers of financial statements determine the specific information to disclose.

As a consequence, it seems to be preferable to implement an approach combining (overall and specific) disclosure objectives and a narrow set of minimum disclosure requirements. Again, as already stated in our answer to question 1, we believe that it will be vital for the frictionless implementation of such an approach to synchronise those objectives with existing disclosure requirements in IFRS Standards in order to avoid inconsistencies and confusion.

<u>Question 3 – Increased application of judgement</u>

Paragraphs DG2–DG3 and DG8–DG13 of this Exposure Draft explain why, in future, the Board proposes to:

a) use prescriptive language to require an entity to comply with the disclosure objectives.

b) typically use less prescriptive language when referring to items of information to meet specific disclosure objectives. An entity, therefore, would need to apply judgement to determine the information to disclose in its circumstances.

This approach is intended to shift the focus from applying disclosure requirements like a checklist to determining whether disclosure objectives have been satisfied in the entity's own circumstances. Paragraphs BC188–BC191 of the Basis for Conclusions describe the likely effects of this approach on the behaviour of entities, auditors and regulators towards disclosures in financial statements. Paragraphs BC192–BC212 of the Basis for Conclusions describe the likely effects of this approach on the quality of financial reporting, including the cost consequences of the approach.

a) Do you agree with this approach? Why or why not? If not, what alternative approach do you suggest and why?

b) Do you agree that this approach would be effective in discouraging the use of disclosure requirements in IFRS Standards like a checklist? Why or why not?

c) Do you agree that this approach would be effective in helping to address the disclosure problem? For example, would the approach help entities provide decision-useful information in financial statements? Why or why not?

d) Do you agree that this approach would be operational and enforceable in practice? Why or why not?

e) Do you have any comments on the cost of this approach, both in the first year of application and in subsequent years? Please explain the nature of any expected incremental costs, for example, changes to the systems that entities use to produce disclosures in financial statements, additional resources needed to support the increased application of judgement, additional audit costs, costs for users in analysing information, or changes for electronic reporting.

We principally support the idea of an approach that could reduce the use of extensive disclosure checklists and increase the effectiveness of the application of judgement. With that in mind, the proposed approach builds on the use of disclosure objectives and would widely dispense with formulating minimum disclosure requirements.

However, as we understand it, the proposed approach up to now mainly exists in theory and has not yet been sufficiently tested in practice. As a consequence, we have severe doubts that the approach proposed in the ED would actually improve the application of judgement and simplify decision making with regard to disclosure requirements compared to the current approach that heavily relies on an adequate application of the materiality concept in order to determine if and what to disclose. Especially from a preparer's perspective, when applying the proposed approach an entity will always have to collect information on all potentially relevant disclosures in order to apply judgement about what should actually be disclosed.

Having said that, we believe that the approach proposed by the IASB could lead to entities making different decisions (due to the use of judgement) regarding the same kind of information to be disclosed, resulting in a severe lack of comparability of financial statements. Moreover, we would like to point to the fact that according to the proposed approach preparers of financial statements would have to determine the information that might meet the needs of the users of their financial statements. Thus, without a consequent and structured stakeholder dialogue (not yet existing in many entities), preparers of financial statements would not be able to substantiate their perspective on the supposed information needs of the financial statement users. Besides, different users of financial statements will have different information needs. Accordingly, it might be challenging for preparers of financial statements to assess and develop balanced information needs of a huge number of users with varying information requirements. This would then require preparers of financial statements to broadly explain how they satisfied the specific disclosure objectives and document the reasons for certain disclosures being made or omitted. This would lead to excessive additional costs for data collection and evaluation.

In order to identify the practical challenges that preparers of financial statements might face applying the proposed approach, the IASB should undertake substantial outreach activities involving a significant number of preparers of financial statements (including entities that are not publicly listed) as well as national standardsetters, auditors and users of financial statements.

We certainly understand that the Board has to balance its objectives when developing new standards. However, we believe that an approach intensifying the discussion on materiality of disclosures and in addition defining a narrow set of minimum disclosure requirements might lead to a practicable reduction in information to be disclosed without forcing each entity into a process of assessing users information needs and exercising judgement on an individual basis. With this in mind, the Board could think about regulating disclosure requirements as follows:

- the IASB (and not each entity itself) should identify a narrow set of minimum disclosures that has to be provided by each and every entity, regardless of its industry or size;
- in addition, each entity should have to provide a justified set of additional disclosures that is generated based on clear and concise disclosure objectives that are reasonably attuned to relevance and materiality;
- finally, auditors and regulators should only sanction total omission of obviously material disclosures and should beyond that make entities aware of disclosures that are not focussed enough, that are redundant or that are not material.

To sum up, using general and specific disclosure objectives supplementing a narrow set of minimum disclosures could be helpful when developing future disclosure requirements. However, we believe that those objectives would have to be reasonably attuned to relevance and materiality.

Question 4 – Describing items of information to promote the use of judgement

The Board proposes to use the following less prescriptive language when identifying items of information: ‘While not mandatory, the following information may enable an entity to meet the disclosure objective’. Paragraph BC19–BC26 of the Basis for Conclusions describe the Board’s reasons for this language and alternative options that the Board considered.

Do you agree that the proposed language is worded in a way that makes it clear that entities need to apply judgement to determine how to meet the specific disclosure objective? If not, what alternative language would you suggest and why?

We principally agree that prescriptive language should be used to require entities to comply with overall and specific disclosure objectives, while less prescriptive language should be used when referring to items of information to meet the specific disclosure objectives. We also agree that the expression 'while not mandatory the following information may enable' is self-explanatory and properly describes the items of information. However, if the objectives are not confined sufficiently, preparers of financial statements will always face the danger of not having provided all the information required and result in material information being omitted. Thus, the IASB should clarify that the items of information described by the above-mentioned expression cannot be understood as voluntary information but should be considered when assessing meeting the specific objectives.

As already pointed out in our answer to question 3, we believe that the Board should pursue an approach supplementing a narrow set of minimum disclosures with disclosure objectives justifying additional entity-specific disclosures.

Question 5 – Other comments on the proposed Guidance

Paragraphs BC27–BC56 of the Basis for Conclusions describe other aspects of how the Board proposes to develop disclosure requirements in IFRS Standards in future applying the proposed Guidance. Paragraphs BC188–BC212 of the Basis for Conclusions explain the expected effects of any disclosure requirements developed using the proposed Guidance.

Do you have any other comments on these aspects? Please indicate the specific paragraphs or group of paragraphs to which your comments relate (if applicable).

We support the development of a consistent and stringent approach to develop disclosure requirements (cf. BC28-BC47) with a level of rigour that is comparable to that of existing requirements for recognition and measurement.

Question 6 – Overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition

Paragraphs BC62–BC73 of the Basis for Conclusions describe the Board's reasons for proposing the overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about assets and

liabilities measured at fair value in the statement of financial position after initial recognition? If not, what alternative objective do you suggest and why?

Although we agree that the overall disclosure objective proposed in the ED could result in the provision of useful information that meets the overall information needs of users about assets and liabilities measured at fair value in the statement of financial position after initial recognition, we believe that already today IFRS 13.91 formulates a disclosure objective that substantially responds to the proposed overall objective in ED/2021/3. Hence, we do not see the additional benefits to be provided by the overall disclosure objective as laid out in ED/2021/3.

Question 7 – Specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition

Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board's reasons for proposing the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss approaches that the Board considered but rejected.

a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about assets and liabilities measured at fair value in the statement of financial position after initial recognition? Why or why not? If not, what changes do you suggest?

b) Do you agree that the proposed specific disclosure objectives would result in the provision of information about material fair value measurements and the elimination of information about immaterial fair value measurements in financial statements? Why or why not?

c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.

d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate.

We principally agree with the IASB, that information on assets and liabilities within each level of the fair value hierarchy, uncertainties inherent in fair value measurement and reasons for changes in fair value measurement are likely to be required to faithfully represent fair value information. With that in mind, we believe that the specific disclosure objectives regarding those issues could help entities understand the specific needs of the users of their financial statements. As a consequence, the implementation of those objectives might conceivably help to reduce the complexity of the disclosure section of IFRS 13.

With regard to information about reasonably possible alternative fair value measurements, we do not think that the (negligible) benefits of that kind of information would outweigh the costs of collecting and providing such information.

<u>Question 8 – Information to meet the specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition</u>

Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board's reasons for proposing the items of information to meet the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss information that the Board considered but decided not to include.

a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 105, 109 and 116 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

We agree with the Board that entities should be required to disclose information which enables users of financial statements to understand

(a) the amount, nature and other characteristics of each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition and how the characteristics relate to the categorisation of those classes of assets and liabilities in the fair value hierarchy,

(b) the significant techniques and inputs used in determining the fair value measurements for each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition, and

(c) the significant reasons for changes in the fair value measurements of each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition, from the beginning of the reporting period to the end of that period.

As already stated in our answer to question 7, we do not think that the benefits of information on alternative fair value measurements for each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition would outweigh the costs of collecting and providing such information.

With regard to non-mandatory information as described in par. 106, 110, 113 and 117 of the ED, we already explained in our answer to question 4 that the IASB should clarify that the items of information described as non-mandatory cannot be understood as voluntary information but should be considered when assessing meeting the specific objectives.

Question 9 – Specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes

Paragraphs BC98–BC99 of the Basis for Conclusions describe the Board's reasons for proposing the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.

a) Do you agree that the proposed specific disclosure objective captures detailed user information needs about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes? Why or why not? If not, what changes do you suggest?

b) Do you agree that this proposed specific disclosure objective would result in the provision of useful information about assets and liabilities not measured at fair value but for which fair value is disclosed in the notes? Why or why not?

c) Do you agree that the benefits of the specific disclosure objective would justify the costs of satisfying it? Why or why not? If you disagree, how should the objective be changed so that the benefits justify the costs?

d) Do you have any other comments about the proposed specific disclosure objective?

We agree with the Board that the most useful information about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes, is information that enables users to understand the amount, nature and other characteristics of each class of assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes and how the characteristics relate to the categorisation of those classes of assets and liabilities in the fair value hierarchy.

<u>Question 10 – Information to meet the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes</u>

Paragraph BC100 of the Basis for Conclusions describes the Board's reasons for proposing the items of information to meet the specific disclosure objective about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.

a) Do you agree that entities should be required to disclose the proposed items of information in paragraph 120 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet the specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

As already pointed out in our answer to question 6, we believe that already today IFRS 13 formulates disclosure objectives that substantially respond to the proposed objectives in ED/2021/3. Hence, we agree with the Boards proposal to use the same specific disclosure objective for items not measured at fair value but for which fair value is disclosed as those described for items measured at fair value in the statement of financial position. Accordingly, it is reasonable that the Board proposes to apply considerations in developing items of information to meet that disclosure objective that are similar to those described in par. BC77. We therefore agree with the requirement to disclose the fair value measurements for each class of assets and liabilities at the end of the reporting period by level of the fair value hierarchy in which those measurements are categorised in their entirety.

However, it seems to us that the wording used in ED/2021/3 is not as clear and concise as the wording used in current IFRS 13. Thus, we do not see the necessity to change current disclosure requirements in IFRS 13.

<u>Question 11 – Other comments on the proposed amendments to IFRS 13</u>

Do you have any other comments on the proposed amendments to IFRS 13 in this Exposure Draft, including the analysis of the effects (paragraphs BC214–BC215 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?

We do not have any further comments.

<u>Question 12 – Overall disclosure objective for defined benefit plans</u>

Paragraphs BC107–BC109 of the Basis for Conclusions describe the Board's reasons for proposing the overall disclosure objective for defined benefit plans.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined benefit plans? If not, what alternative objective do you suggest and why?

The IASB proposes overall disclosure objectives that shall lead to an entity disclosing information that enables users of financial statements to (a) assess the effect of defined benefit plans on the entity's financial position, financial performance and cash-flows and (b) evaluate the risks and uncertainties associated with the entity's defined benefit plans. It is our understanding, that already today IAS 19.135 et seqq. include disclosure requirements resulting in the provision of useful information that meets the users' overall information needs for defined benefit plans as defined in ED/2021/3. Hence, we do not see the additional benefits to be provided by the overall disclosure objective as laid out in ED/2021/3.

<u>Question 13 – Specific disclosure objectives for defined benefit plans</u>

Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board's reasons for proposing the specific disclosure objectives about defined benefit plans, and discuss approaches that the Board considered but rejected.

a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about defined benefit plans? Why or why not? If not, what changes do you suggest?

b) Do you agree that the proposed specific disclosure objectives would result in the provision of relevant information and the elimination of irrelevant information about defined benefit plans in financial statements? Why or why not?

c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.

d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate.

From our point of view, especially the specific disclosure objectives regarding the nature of, and risks associated with, defined benefit plans are formulated in a rather unspecific way. In order to reduce the extent of the current verbal descriptions of nature of, and risks associated with, defined benefit plans, the IASB should think about defining what it means by terms like the ‘nature’ of a defined benefit plan.

<u>Question 14 – Information to meet the specific disclosure objectives for defined benefit plans</u>

Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board’s reasons for proposing the items of information to meet the specific disclosure objectives about defined benefit plans, and discuss information that the Board considered but decided not to include.

a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 147F, 147M and 147V of the [Draft] amendments to IAS 19? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objectives?

b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

We agree that the information proposed in par. 147F of ED/2021/3 is always required to be disclosed as the amounts stated (and their components) are always required to meet the specific disclosure requirements. We also see the benefits of a tabular reconciliation from opening balances to closing balances of the significant reasons for changes in the net defined benefit liability/asset compared to mainly qualitative information on those effects. Regarding information about actuarial assumptions, we apprehend that most preparers will tend to retain their current disclosure practices what might affect the relevance of the information provided.

<u>Question 15 – Overall disclosure objective for defined contribution plans</u>

Paragraphs BC156–BC158 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for defined contribution plans.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined contribution plans? If not, what alternative objective do you suggest and why?

We agree with the Board that the proposed overall disclosure objective could result in the provision of useful information that meets the overall user information needs about defined contribution plans. This is due to the fact that users of financial statements require information on the effects that defined contribution plans have on an entity’s statements of financial performance and cashflows. However, we believe that current accounting regulation for defined contribution plans combined with the disclosure of the amount recognised as an expense for defined contribution plans according to IAS 19.53 already today provide the information necessary to fulfil that objective.

<u>Question 16 – Disclosures for multi-employer plans and defined benefit plans that share risks between entities under common control</u>

Paragraphs BC159–BC166 of the Basis for Conclusions describe the Board's reasons for proposing which disclosure objectives should apply for multi-employer plans and defined benefit plans that share risks between entities under common control.

Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?

We share the opinion that compliance with the overall disclosure objective for defined contribution plans does not sufficiently address the risks of multi-employer defined benefit plans accounted for as if it were a defined contribution plan or defined benefit plans that share risks between entities under common control where the contribution payable for the period is recognised in accordance with IAS 19.41. However, we do not think that combining the overall disclosure objectives of defined contribution plans and a specific disclosure objective of defined benefit plans would lead to feasible disclosure requirements. Instead, we believe that combining disclosure objectives developed for differing issues would add complexity to the assessment of users needs and complicate the application of the objectives.

<u>Question 17 – Disclosures for other types of employee benefit plans</u>

Paragraphs BC167–BC170 of the Basis for Conclusions describe the Board's reasons for proposing the overall disclosure objectives for other types of employee benefit plans.

Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?

We believe that the proposed overall disclosure objective principally should meet the primary information requirements of users of financial statements about other types of employee benefit plans.

<u>Question 18 – Other comments on the proposed amendments to IAS 19</u>

Do you have any other comments on the proposed amendments to IAS 19 in this Exposure Draft, including the analysis of the effects (paragraph BC216 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?

We do not have any further comments.