

Wayne Upton
Chairman
IFRS Interpretations Committee
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25 September 2013

Dear Mr Upton

Tentative Agenda Decision - IAS 19 *Employee Benefits*: Actuarial assumptions – discount rate

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the July IFRIC Update of the tentative decision not to take onto the Committee's agenda a request for guidance on the determination of the rate used to discount post-employment benefit obligations.

We agree with much of the analysis presented in the tentative agenda decision. However, we are concerned that the following issues are not addressed:

- the determination of an appropriate discount rate in an economy with corporate bonds that, whilst not AA- or AAA-rated, are rated more highly than equivalent government bonds; and
- the determination of whether a market in high quality corporate bonds is 'deep'.

We believe that further guidance on these issues and on identification of an appropriate discount rate more generally is needed as the principle underpinning the use of a high quality corporate bond yield is not clear and IAS 19 uses a number of terms that are not defined.

We recognise that the provision of guidance in this area may be in the nature of standard setting rather than interpretation and in that context agree with the Committee's decision not to add this item onto its agenda, but believe that a project to address this issue should be undertaken by the International Accounting Standards Board as soon as is practicable.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0)20 7007 0884.

Yours sincerely



Veronica Poole
Global IFRS Leader