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News Press Releases **IFRIC issues interpretation on IAS 19—Defined Benefit Assets and Minimum Funding Requirements**

IFRIC issues interpretation on IAS 19—Defined Benefit Assets and Minimum Funding Requirements

04 July 2007

The International Financial Reporting Interpretations Committee (IFRIC) * has today issued an Interpretation, IFRIC 14 IAS 19—*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

IFRIC 14 provides general guidance on how to assess the limit in IAS 19 Employee Benefits on the amount of the surplus that can be recognised as an asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement. The Interpretation will standardise practice and ensure that entities recognise an asset in relation to a surplus on a consistent basis.

No additional liability need be recognised by the employer under IFRIC 14 unless the contributions that are payable under the minimum funding requirement cannot be returned to the company. IFRIC 14 is likely to have the most impact in countries that have a minimum funding requirement and where there are restrictions on a company's ability to get refunds or reduce contributions.

The Interpretation is mandatory for annual periods beginning on or after 1 January 2008. Earlier application is permitted.

For further information on IFRIC 14, please visit the project Webpage on www.iasb.org.

* The IFRIC is the interpretative arm of the International Accounting Standards Board (IASB).

Press enquiries:

Mark Byatt, Director of Corporate Communications, IASB, telephone: +44 (0)20 7246 6472, email: mbyatt@iasb.org

Sonja Horn, Communications Adviser, IASB, telephone: +44 (0)20 7246 6463, email: shorn@iasb.org

Technical enquiries:

Robert Garnett, Chairman, IFRIC telephone: +44 (0)20 7246 6410, email: rgarnett@iasb.org

Anne McGeachin, Project Manager, IASB, telephone:+44 (0)20 7246, email: amcgeachin@iasb.org

IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction is available for e IFRS subscribers from 5 July. Those wishing to subscribe to eIFRSs should visit the online shop at www.iasb.org or contact:

IASC Foundation Publications Department,

30 Cannon Street, London EC4M 6XH, United Kingdom. Tel: +44 (0)20 7332 2730 Fax +44 (0)20 7332 2749 Email: publications@iasb.org Web: www.iasb.org

About the IFRIC

The IFRIC first met in February 2002. It comprises 12 voting members (all part-time) drawn from a variety of countries and professional backgrounds, and it meets about six times a year under a non-voting chairman. The IFRIC's principal role is to consider, on a timely basis within the context of International Financial Reporting Standards and the IASB Framework, accounting issues that are likely to receive divergent or unacceptable treatment in the absence of authoritative guidance, with a view to reaching consensus on the appropriate accounting treatment. In developing Interpretations, the IFRIC works closely with similar national interpretation committees.

About the IASB

The IASB, based in London, began operations in 2001. It is funded by contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations. The 14 IASB members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.