



Exposure Draft ED/2013/11
Annual Improvements to IFRSs 2012-2014 Cycle
Comment Letters
European Financial Reporting Advisory Group
35 Square de Meeûs
Brussels B-1000
Belgium

Dear Madam/Sir,

In the present letter ICAC gives its view on some specific issues of EFRAG's Draft Comment Letter on the IASB's Exposures Draft ED/2013/11 Annual Improvements to IFRSs 2012-2014 Cycle.

In general terms we agree with most proposals in the ED and with the objectives they are trying to achieve.

In line with EFRAG's comments, we are of the view that there is a need, before finalising these proposals, to explain the rationale/objectives in selecting and using a discount rate to measure post-employment benefit obligations.

There are a number of issues that should be subject of a wider analysis, for example:

- Entities can operate very localized in only one country, or they may be very delocalized operating in different countries, even though both use the same currency: do they use the same discount rate?
- The same currency may have several high quality corporate bonds: what should be the criteria to choose one and not another?
- In both cases above: is it feasible to use an average discount rate of the existing high quality corporate bonds related to the countries where the entity operates?
- What are the economic reasons to justify the selection of a certain market yield among others to measure a post-employment benefit obligation of an entity.

There are a number of relations/implications that could be further studied like the relation between the post-employment obligations and where the entity operates or the implications of existing different market yields and same currency.



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To conclude, we agree with EFRAG's comments in paragraphs 26-33. We understand the merits of using the same discount rate to achieve uniformity within economic areas using the same currency, but the IASB should consider that other specific aspects might affect the selection of the discount rate.

Please do not hesitate to contact us if there is anything else you need to clarify.

Ana Martínez-Pina
Chairman of the ICAC

Madrid, 7th February 2014