



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 \(ED\) markup](#).

	Identification and instructions	
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Comments represent our organization
Name of organization		German Institute of Pension Actuaries (IVS)
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	Not confidential
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"> <li>⇒ Do <b>not</b> write in the yellow shaded cells</li> <li>⇒ Write in the white cells</li> <li>⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> <li>○ Please use a separate row for each paragraph, sub paragraph, or bullet.</li> <li>○ Please include the full reference in the first column such as "Introduction 3<sup>rd</sup> paragraph 2<sup>nd</sup> bullet" or "2.6.1.b.ii"</li> <li>○ Please insert/append extra rows as needed.</li> </ul> </li> </ul> <p><b>Please send the completed template, renamed with the organization's or individual's name, attached in <u>Word Format</u>, to</b></p> <p><a href="mailto:ISAP3.ISAP.comments@actuaries.org">ISAP3.ISAP.comments@actuaries.org</a>.</p>	



	Specific Questions asked by the ASC	Response
Q1.	Is the guidance clear and unambiguous? If not, how should it be changed?	Yes, to our mind it is clear and unambiguous.
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Yes, to our mind it is sufficient and appropriate. Two issues which could be changed are mentioned below.
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, to our mind the relation is clear.
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?	To our mind, it has the right level of detail.
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, to our mind the ISAP should not be expanded to provide guidance in this area.
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, to our mind no further matters should be included and no matters should be dropped.

	General Comments on the Exposure Draft	



Deadline: 14 March 2014

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)
2.3	If such a matter is discovered and not resolved in a satisfactory way before the actuary issues the report, the actuary should disclose the matter in the report <b>or in an accompanying communication.</b>	<p>To our mind and according to common practice in Germany, it would be sufficient to raise such matters outside of the report. The principal is responsible for his accounting practice, and a negative statement of the actuary hinders the principal to maintain his accounting practice.</p> <p>We know that this issue is already mentioned in ISAP 1 but we would like to emphasize that we still do not agree to the present wording neither in ISAP 1 nor in ISAP 3.</p>
2.6.3 (a) (iv)	Determine a single weighted-average discount rate that produces substantially the same present value of the defined benefit obligation, <b>for example</b> for disclosures in the IFRS report. <del>or other appropriate calculations (for example, net interest or service cost).</del>	<p>To mention net interest or service cost gives the impression that it is necessary to calculate these figures with the same weighted-average discount rate as the DBO.</p> <p>Looking at the discussions about this topic, it may also be possible to calculate the service cost using the spot rates (i. e. the whole yield curve) or to calculate net interest and service cost with different weighted-average discount rates considering the different duration of service cost and DBO.</p> <p>To our mind, ISAP 3 should not give prejudice on these issues.</p>


