



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



Deadline: 14 March 2014

| | Specific Questions asked by the ASC | Response |
|-----|---|--|
| Q1. | Is the guidance clear and unambiguous? If not, how should it be changed? | There are some sections where further clarity would be welcomed. They are covered in the specific comments below. |
| Q2. | Is the guidance sufficient and appropriate? If not, how should it be changed? | At times the guidance goes beyond what the actuary should normally be responsible for. The scope should be limited to actuarial matters only. The detail provided in 2.6 in particular is beyond the scope of expectation for an ISAP, and we believe it is better suited to an educational note. |
| 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? | There are a number of items (listed below) that we feel would be more appropriate within ISAP 1, otherwise there is redundant duplication between ISAP 1 and 3. |
| 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? | See response to Q2 regarding section 2.6. |
| 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? | We do not believe that ISAP 3 should be expanded to provide guidance in this area. The guidance in ISAP 1 is sufficient. |
| 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? | See specific comments below. |
| | 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) |
| 1.2 | Remove the last sentence. | The sentence is redundant to the scope. If it is intended to clarify or add to the scope, then the sentence should be expanded to clearly address its intent. |
| 2.1 | Amend 3rd line to "...relevant paragraphs of other IFRSs where material to IAS 19, and..." | As written, this paragraph implies that the actuary must have knowledge of the content of every other IFRS. |
| 2.2 | | This paragraph should be expanded to clarify the issue it is trying to address. Further, it should be made clearer why a section on materiality is required beyond that in ISAP 1, and to ensure there are no contradictions between ISAP 1 and 3. |
| 2.3 | Clarify that this section only relates to actuarial services provided under IAS 19. | This section as written imposes responsibility on the actuary for errors and omissions that relate to others IFRSs and to the reporting entity's accounting policies, which is beyond the scope of ISAP 3. |
| 2.6 | | We do not believe this level of detail belongs in an ISAP. We suggest this entire section be shortened to address only the key principles to be followed in setting assumptions, to the extent that those principles are not already covered in ISAP 1. Any details beyond those key principles are better suited to an educational note. |
| 2.6.2 | Change "mortality of plan members" to "circumstances of plan members", to encompass characteristics such as income or collar type. | Other methodologies should be allowed if they are suitable for the circumstances of the work. |

**Deadline: 14 March 2014**

| | | |
|-------|---|--|
| 2.6.3 | We do not feel this level of detail is appropriate in an ISAP, and suggest it is moved to an educational note. It should also be reordered to clarify that other approaches may be valid. | Other methodologies should be allowed if they are suitable for the circumstances of the work. Further, the approach to setting discount rates should be permitted to vary from jurisdiction to jurisdiction and from time to time, depending on prevailing bond market composition and conditions. |
| 2.6.6 | Delete | We do not feel this paragraph is necessary. |
| 2.6.8 | Delete | The content of this paragraph is straying into accounting territory. There could be valid reasons for a change from year to year that do not need to be discussed. This paragraph should only cover actuarial practice as it relates to IAS 19. |
| 2.7.4 | Delete | As with 2.6.8, the wording in this section goes beyond what we feel is relevant to an ISAP. |
| 2.9 | Delete | The content in this paragraph should be covered in ISAP 1 only, and should not need to then be repeated in ISAP 3. We recommend ISAP 1 be reviewed to ensure this issue is adequately addressed and delete it from ISAP 3 to avoid duplication. |
| 3.1 | Amend the second phrase in (b) to "other relevant IFRSs which are material to IAS 19" | The actuary should not be obligated to report on items that are not related to actuarial practise. |