



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by Act of Parliament No. 15 of 1965)

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The Technical Director
IAASB
529 Fifth Avenue, New York,
NY 10017
USA

Dear Sir,

RE: COMMENTS ON PROPOSED AMENDMENTS TO IPSAS 25, EMPLOYEE BENEFITS

The Institute of Chartered Accountants of Nigeria (ICAN) has considered the above Exposure Draft and hereby submits its comments as follows:

Specific Matter for Comment 1

Do you agree with the proposals in the Exposure Draft for revision of IPSAS 25? If not, please indicate what proposed amendments you do not agree with and provide reasons.

Our Comment

Yes, we agree with the proposals in the Exposure Draft revision of IPSAS 25.

Explanation

A thorough review of the proposed amendment reveals improvement in the definition and meaning of the terms associated with IPSAS 25. The definition of terms associated with the proposed standard in paragraph 10 of IPSAS 25 are amplified meanings which are more comprehensive than previously defined under the current IPSAS 25.

In addition, the proposed Standard provides further clarity on the various benefits within the scope of the current standard, for example, the definition of "Employee Benefits" now clearly includes consideration given by an entity for the termination of employment, in addition to the consideration given in exchange for service rendered.

Equally, the substitution of "*wholly before twelve months after the end of the reporting*" for "*within twelve months after the end of the period*" is a further clarification of employee benefits that are short-term. This same clarification applies to "post-employment benefits", "other long-term employee benefits" and "termination benefits" within the same paragraph 10.

Specific Matter for Comment 2

IPSAS 25 currently includes a section on Composite Social Security Programs (paragraphs 47-49). The IPSASB is considering deleting this section because the IPSASB is not aware that it has been applied in any jurisdiction. If you do not agree that this section should be deleted, please provide a reason for your response along with any proposed revisions.

Our Comment

We agree the section on Composite Social Security Programs (paragraphs 47-49) be deleted.

Explanation

The Nigerian experience does not have any Composite Social Security Program. Rather, there is a Social Security Program which is to operate as unemployment benefits. This however does not qualify as a Composite Social Security Program. Therefore, the intention to delete



