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Federal Department of Home Affairs FDHA
Federal Social Insurance Office

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Official in charge: Claudia Michlig
Berne, May 28, 2019

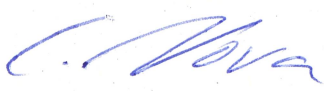
**Comment to Exposure Draft 67 "Collective and Individual Services and Emergency Relief"
(Amendments to IPSAS 19)**


Dear Mr Stanford

This document is a response to the IPSASB on the subject of Exposure Draft 67, and supplements the opinion of the Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP).

Yours sincerely

Federal Social Insurance Office


Colette Nova
Vice-Director


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COO.2063.100.4.2287008

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General remarks

We welcome the IPSASB's endeavours to address the current regulatory gaps in the area of non-exchange expenses. This encourages a uniform approach and, thus, improved comparability of financial reporting.

Alongside cash benefits, the benefits provided under Switzerland's Old Age and Survivors' Insurance (OASI), Invalidity Insurance (IV), Loss of Earnings Compensation (EO), and Supplementary Benefits (EL) schemes comprise a number of benefits in kind. IPSAS 42 only addresses the cash benefits such as pensions, daily allowances and helplessness allowances paid out under the AHV, IV, EO and EL schemes. ED 67 closes this gap and defines the further procedure as regards benefits in kind.

We regard the planned changes as positive. In our opinion, it makes sense to carry out accruals only for exchange transactions that have taken place. This would reduce the level of assessment uncertainty in statements and increase the informative value thereof. Nevertheless, there would still be challenges under this procedure as regards the recognition and measurement of accruals. Recognising provisions for non-cash benefits at the time of the legal obligation from the non-exchange transaction would prove difficult with a view to reliable financial reporting and would require a considerable amount of time and effort to implement.

Specific Matter for Comment 1

Do you agree with the definitions of collective services and individual services that are included in this Exposure Draft?

If not, what changes would you make to the definitions?

We are in agreement with the definitions of both terms. To underscore the accrual aspect of IPSAS 42, the criterion "non-cash" could be included. This would facilitate the allocation of the benefits to the respective standard.

Specific Matter for Comment 2

Do you agree that no provision should be recognised for collective services?

If not, under what circumstances do you think a provision would arise?

We agree that no provision should be recognised for collective services as the benefits involved are current benefits.

Specific Matter for Comment 3

Do you agree that no provision should be recognized for individual services?

If not, under what circumstances do you think a provision would arise?

We agree with the planned procedure and regard this as positive.

Specific Matter for Comment 4

Do you agree with the proposed accounting for emergency relief?

If not, how do you think emergency relief should be accounted for?

No comment to be added.

Berne, May 28, 2019