

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION

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May 30, 2006

Financial Accounting Standards Board Technical Director

File Reference No. 1025-300

Exposure Draft: Employers' Accounting For Defined Benefit Pension and Other Post-retirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)

The World Bank ("The Bank") appreciates the opportunity to comment on the proposed standard, and others that may result from the two-phase project undertaken by the Board. Specifically, the Bank wishes to comment on Issue 2 outlined in the exposure draft as follows:

Issue 2: Unless a plan is sponsored by a subsidiary that is consolidated using a fiscal period that differs from the parent's, this proposed Statement would require that plan assets and benefit obligations be measured as of the date of the employer's statement of financial position. This proposed Statement would eliminate the provisions in Statements 87 and 106 that permit measurement as of a date that is not more than three months earlier than the date of the employer's statement of financial position.

Are there any specific implementation issues associated with this requirement that differ significantly from the issues that apply to other assets and liabilities that are recognized as of the date of the statement of financial position?

The Bank believes that the provisions of Statement 87 and 106 which allowed for plan assets and benefit obligations to be measured as of a date that is not more than 90 days earlier than the date of the employer's statement of financial position should be retained and not changed to conform to the employers' financial reporting date.

IBRD believes that such a change may place an onerous burden on actuaries, asset custodians and reporting entities and their auditors. We believe there could be numerous implementation challenges for this change. Asset values and reports may be delayed due to multiple asset managers, non-publicly traded assets for which the valuation is not readily available, and fiscal year ends which may not match the asset statement or plan fiscal year. Such a change creates a decreased time frame for plan sponsors and actuaries to create reports and limits the amount of time the auditor has to review the information and address any issues. The adverse impact of this change is heightened given that public

companies are already facing ever shortening time frames in which public entities have to prepare their audited reports.

We would therefore ask the Board to retain the provision as it is currently written. Again, thank you for the opportunity to share views on this important matter.

Sincerely,

Fayezul Choudhury

Vice President and Controller

International Bank for Reconstruction and Development