



International Accounting Standards
Committee Foundation®

Press Release

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Summary of the IASC Foundation Trustees meeting April 2007

The Trustees of the IASC Foundation, the oversight body of the International Accounting Standards Board (IASB), today released the summary and outcomes of their second meeting of the year, held in London on 2 and 3 April. At the meeting, the Trustees considered their oversight of the IASB, reviewed the progress of the IASB's work, and met representatives of stakeholders to discuss the adoption of IFRSs and the challenges facing the IASC Foundation and the IASB.

In their public sessions, the Trustees reviewed the progress of the IASB's work with the US Financial Accounting Standards Board on convergence of IFRSs and US standards. The Trustees continued to support the IASB's commitment to principle-based standards and viewed the IASB's convergence work as having relevance for the broader adoption of IFRSs worldwide. The Trustees acknowledged that the appropriate regulatory authorities in jurisdictions with strong ties to both Europe and the United States have been willing to adopt IFRSs only with reasonable confidence that IFRSs will be accepted in US markets eventually. Therefore, the Trustees took particular note of recent positive statements made by representatives of the European Commission and by officials of the US Securities and Exchange Commission on the potential removal of reconciliation requirements.

In consultation with the IASB, the Trustees agreed on the benefit of various measures to enhance the transparency of the IASB's consultation process, and to develop closer relationships and mutual understanding among stakeholder groups, the Trustees, and the IASB. The Trustees agreed to the following measures:

- **A more focused interaction between the Trustees and the IASB:** The establishment of regular formal opportunities for strategic discussions between Trustees and the IASB, with the summary report from such meetings being presented in public session at the following Trustees meeting.
- **Introduction of feedback statements:** The IASB will publish a new, stand-alone feedback statement when issuing standards to explain its approach in addressing the

main themes raised through the comment letter process. Such statements are expected to give a fuller account of the IASB's consideration of respondents' comments than is now provided as part of the Bases for Conclusions.

- **A framework for cost-benefit analyses:** The development of a framework to support the analysis of cost/benefit considerations.
- **Greater engagement of stakeholder groups in IASC Foundation activities:** The approval of an outreach programme designed to build closer relationships and mutual understanding between stakeholder groups and the IASC Foundation. The Trustees are also providing additional resources to the IASB, as the IASB seeks to enhance its communications programme.
- **Guidance on long-term funding:** Publication of the proposed preliminary 2008 budget as part of the organisation's effort to build a sustainable, transparent funding system.

Commenting on the meeting as well as the various initiatives announced today, Philip Laskawy, Chairman of the Trustees, said:

In six short years, the IASC Foundation and the IASB have made enormous progress towards our shared objective of creating a single set of high quality, principle-based financial reporting standards that are used throughout the world's capital markets. However, there is more work to be done, and we are always seeking to improve our operations. In announcing the initiatives, the Trustees have listened to the views of various interested parties and in consultation with the IASB agreed on steps to clarify and enhance the Trustees' role.

We continue to make progress on a number of fronts and I believe that the steps we have taken at this latest Trustees meeting provide a firm basis for the IASB to continue the progress it has made towards its goal of delivering high quality, understandable and enforceable global accounting standards.

Additional information about the Trustees' meeting in April is given in the Notes to Editors.

The next meeting of the Trustees will be held in Madrid, Spain, on 2 and 3 July. Information about that meeting will be posted on the IASC Foundation's Website.

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Press enquiries:

Mark Byatt, Director of Corporate Communications, IASB
telephone: +44 (0)20 7246 6472, email: mbyatt@iasb.org

Notes to Editors**About the IASC Foundation**

The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees. Six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six from North America, and four from any region.

The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. The IASC Foundation is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations.

Further information on the meeting on 2 and 3 April**Creating opportunities for enhanced interaction between Trustees and the IASB**

At the meeting, and on other occasions, the Trustees expressed their desire for closer interaction to discuss strategy, but not technical decisions, with the IASB. The Trustees concluded that the establishment of a more structured interface between the IASB and the Trustees to discuss the IASB's work programme would also address the concern raised by some external parties that the IASB should be more accountable to the Trustees. At the same time, if the discussion was limited to strategy, this dialogue would not undermine the IASB's independence, but rather enhance public confidence in the IASB's processes. The IASB Chairman indicated that the IASB welcomed the opportunity to engage with the Trustees more frequently.

Meetings between members of the Trustees' Procedures Committee and the IASB will take place twice a year in London during closed administrative session, with agenda items proposed by both the Trustees and the IASB. The Trustees attending this meeting will make a formal report in public session at the next meeting of the Trustees.

Cost-benefit analysis

As part of its standard-setting process, the IASB already considers potential costs and benefits of changes to a particular standard before adding the project to the work plan. However, the Trustees in consultation with the IASB have concluded it would be beneficial to develop a more explicit framework for evaluating the relative costs and benefits of its proposals and that this framework should become part of the IASB's due process.

It is expected that this research will typically be of a qualitative nature given the limited resources available to the organisation, with the resulting cost-benefit analysis (taking into account field visits) being published alongside the standard.

Proposals are being developed by the IASB for review by the Trustees and further information will be provided in due course.

Comment letter analysis and feedback statements

The IASB reviews the analysis of comment letters as part of its public meetings, with the papers prepared for the meeting being published on the Website. Responses to particular issues are then formulated over a period of time at subsequent meetings, with the IASB reflecting on consideration of comment letters in the Basis for Conclusions on each standard.

However, there is no single document that consolidates the major themes of the comment letters and the IASB's position on these views. Therefore, following consultation with the IASB, the Trustees supported the IASB's recommendation that a document should be produced, to be issued in conjunction with the standard, that summarises the main themes raised through the comment letter process and the IASB's consideration of them. This would be in addition to the discussion in the Basis for Conclusions.

The Trustees believe that this change will provide greater transparency in the analysis of comment letters and will ultimately encourage broader involvement in the consultation process.

Stakeholder engagement

As is normally the case, Trustees met stakeholder representative groups from the local jurisdiction and on this occasion held productive discussions with senior representatives from the Hundred Group and the Confederation of British Industry, providing valuable insight into practical experience of implementing IFRSs and general views on financial reporting as expressed by the UK's largest businesses.

In addition, a round-table meeting with representatives of the Investment Management Association, the Financial Services Authority, the Financial Reporting Council and the Department of Trade and Industry, along with representatives from the investment and preparer communities, presented an excellent opportunity for the Trustees to debate the general direction of financial reporting and its relevance to UK markets.

Such events allow Trustees and interested parties to engage in informal discussion and information sharing, and the Trustees look forward to similar sessions at the forthcoming quarterly meetings scheduled for Madrid (July) and New York (October).

Communications and engagement programme

The Trustees approved a series of outreach activities presented by the newly-appointed director of corporate communications. The programme is designed to build closer relationships and mutual understanding between the organisation and stakeholder groups based on the following themes:

- improving engagement with the broader business community
- enhancing both formal and informal relationships with groups representing stakeholders
- maintaining effective communications channels with the standard-setting and regulatory communities around the world
- implementing a programmatic approach to communications and outreach activities.

Various initiatives will be launched over the coming months to support the Trustees' desire to improve effectiveness in the organisation's communications activities.

Publication of proposed 2008 budget

The Trustees are today publishing their budget proposals for 2008 and beyond, further details of which can be found on the Website (www.iasb.org). The proposals provide background information on the projected work schedule and priorities that the organisation will need to address and appropriately resource.

Long-term funding plans

The Trustees reviewed progress in securing a sustainable, long-term funding model. Whilst this work is still at a relatively early stage the Trustees were satisfied that steady progress is being made; they will review progress at future meetings.

Approval of the 2006 accounts

The statutory accounts for 2006 as audited by BDO Stoy Hayward were approved by the Trustees. The 2006 IASC Foundation's Annual Report will be available both in print and online from the beginning of May 2007.