

IFRS Foundation

Constitution

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IFRS Foundation

Revised Constitution

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IFRS Foundation Constitution

Preface

This Constitution was approved in its original form by the Board of the former International Accounting Standards Committee (IASC) in March 2000 and by the members of IASC at a meeting in Edinburgh on 24 May 2000.

At its meeting in December 1999, the IASC Board had appointed a Nominating Committee to select the first Trustees. Those Trustees were nominated on 22 May 2000 and took office on 24 May 2000 as a result of the approval of the Constitution. In execution of their duties under the Constitution, the Trustees formed the International Accounting Standards Committee Foundation on 6 February 2001. As a consequence of a resolution by the Trustees, Part C of the revised Constitution approved on 24 May 2000 ceased to have effect and was deleted.

Reflecting the Trustees' decision to create the International Financial Reporting Interpretations Committee, and following public consultation, the Constitution was revised on 5 March 2002. Subsequently the Trustees amended the Constitution, with effect from 8 July 2002, to reflect other changes that had taken place since the formation of the IASC Foundation.

The Constitution requires the Trustees to review the Constitution every five years. The Trustees initiated the first review in November 2003 and following extensive consultation completed the review in June 2005. The changes were adopted and approved by the Trustees on 21 June 2005 and came into effect on 1 July 2005. Further amendments were adopted and approved by the Trustees on 31 October 2007 for immediate effect.

The Trustees formally initiated their second five-yearly review of the organisation's constitutional arrangements in February 2008. The first part of that review, which focused on public accountability and the composition and size of the International Accounting Standards Board, led to changes that were approved by the Trustees on 15 January 2009 for effect on 1 February 2009. This version reflects further changes made at the conclusion of the review. The Trustees approved the changes on 26 January 2010 for effect on 1 March 2010.*

* The steps necessary to give legal effect to the Foundation's change of name were completed in mid-2010.

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(approved by the Members of IASC at a meeting in Edinburgh, Scotland on 24 May 2000 and revised by the IASC Foundation Trustees on 5 March and 8 July 2002, 21 June 2005, 31 October 2007, 15 January 2009 and 26 January 2010)

Name and objectives

- 1 The name of the organisation shall be the International Financial Reporting Standards Foundation (IFRS Foundation), a name which shall be put into legal effect as soon as practical and then shall replace the name the International Accounting Standards Committee Foundation (IASC Foundation). The International Accounting Standards Board (IASB), whose structure and functions are laid out in sections 24–38, shall be the standard-setting body of the IFRS Foundation.
- 2 The objectives of the IFRS Foundation are:
 - (a) to develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles. These standards should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the world's capital markets and other users of financial information make economic decisions.
 - (b) to promote the use and rigorous application of those standards.
 - (c) in fulfilling the objectives associated with (a) and (b), to take account of, as appropriate, the needs of a range of sizes and types of entities in diverse economic settings.
 - (d) to promote and facilitate adoption of International Financial Reporting Standards (IFRSs), being the standards and interpretations issued by the IASB, through the convergence of national accounting standards and IFRSs.

Governance of the IFRS Foundation

- 3 The governance of the IFRS Foundation shall primarily rest with the Trustees and such other governing organs as may be appointed by the Trustees in accordance with the provisions of this Constitution. A Monitoring Board (described further in sections 18–23) shall provide a formal link between the Trustees and public authorities. The Trustees shall use their best endeavours to ensure that the requirements of this Constitution are observed; however, they may make minor variations in the interest of feasibility of operation if such variations are agreed by 75 per cent of the Trustees.

Trustees

- 4 The Trustees shall comprise twenty-two individuals.

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- 5 The Monitoring Board (described further in sections 18–23) shall be responsible for the approval of all Trustee appointments and reappointments. In approving such selection, the Monitoring Board shall be bound by the criteria set out in sections 6 and 7. The Trustees and the Monitoring Board shall agree a nomination process that will entitle the Monitoring Board to recommend candidates and provide other help. In administering the nomination process and putting forward nominations to the Monitoring Board for approval, the Trustees shall consult the international organisations set out in section 7.
- 6 All Trustees shall be required to show a firm commitment to the IFRS Foundation and the IASB as a high quality global standard-setter, to be financially knowledgeable, and to have an ability to meet the time commitment. Each Trustee shall have an understanding of, and be sensitive to, the challenges associated with the adoption and application of high quality global accounting standards developed for use in the world’s capital markets and by other users. The mix of Trustees shall broadly reflect the world’s capital markets and diversity of geographical and professional backgrounds. The Trustees shall be required to commit themselves formally to acting in the public interest in all matters. In order to ensure a broad international basis, there shall be:
- (a) six Trustees appointed from the Asia/Oceania region;
 - (b) six Trustees appointed from Europe;
 - (c) six Trustees appointed from North America;
 - (d) one Trustee appointed from Africa;
 - (e) one Trustee appointed from South America; and
 - (f) two Trustees appointed from any area, subject to maintaining overall geographical balance.
- 7 The Trustees shall comprise individuals that, as a group, provide an appropriate balance of professional backgrounds, including auditors, preparers, users, academics, and officials serving the public interest. Normally, two of the Trustees shall be senior partners of prominent international accounting firms. To achieve such a balance, Trustees should be selected after consultation with national and international organisations of auditors (including the International Federation of Accountants), preparers, users and academics. The Trustees shall establish procedures for inviting suggestions for appointments from these relevant organisations and for allowing individuals to put forward their own names, including advertising vacant positions.
- 8 Trustees shall normally be appointed for a term of three years, renewable once.
- 9 Subject to the voting requirements in section 14, the Trustees may terminate the appointment of an individual as a Trustee on grounds of poor performance, misbehaviour or incapacity.
- 10 The Chair of the Trustees, and up to two Vice-Chairs, shall be appointed by the Trustees from among their own number, subject to the approval of the Monitoring Board. The role of a Vice-Chair shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, and regardless of prior service as a Trustee, the appointee may serve as the Chair or a Vice-Chair for a term of three years,

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renewable once, from the date of appointment as Chair or Vice-Chair, but may not exceed nine years in total length of service as a Trustee. The appointment of a Chair and Vice-Chairs should be made with regard to maintaining a geographical balance.

- 11 The Trustees shall meet at least twice each year and shall be remunerated by the IFRS Foundation with an annual fee and a per-meeting fee, commensurate with the responsibilities assumed, such fees to be determined by the Trustees. Expenses of travel on IFRS Foundation business shall be met by the IFRS Foundation.
- 12 In addition to the powers and duties set out in section 13, the Trustees may make such operational commitments and other arrangements as they deem necessary to achieve the organisation's objectives, including, but without limitation, leasing premises and agreeing contracts of employment with IASB members.
- 13 The Trustees shall:
 - (a) assume responsibility for establishing and maintaining appropriate financing arrangements;
 - (b) establish or amend operating procedures for the Trustees;
 - (c) determine the legal entity under which the IFRS Foundation shall operate, provided always that such legal entity shall be a foundation or other body corporate conferring limited liability on its members and that the legal documents establishing such legal entity shall incorporate provisions to achieve the same requirements as the provisions contained in this Constitution;
 - (d) review in due course the location of the IFRS Foundation, both as regards its legal base and its operating location;
 - (e) investigate the possibility of seeking charitable or similar status for the IFRS Foundation in those countries where such status would assist fundraising;
 - (f) open their meetings to the public but may, at their discretion, hold certain discussions (normally only about selection, appointment and other personnel issues, and funding) in private; and
 - (g) publish an annual report on the IFRS Foundation's activities, including audited financial statements and priorities for the coming year.
- 14 There shall be a quorum for meetings of the Trustees if 60 per cent of the Trustees are present in person or by telecommunications: Trustees shall not be represented by alternates. Each Trustee shall have one vote, and a simple majority of those voting shall be required to take decisions on matters other than termination of the appointment of a Trustee, amendments to the Constitution, or minor variations made in the interest of feasibility of operations, in which cases a 75 per cent majority of all Trustees shall be required. Voting by proxy shall not be permitted on any issue. In the event of a tied vote, the Chair shall have an additional casting vote.

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- 15 In addition to the duties set out above, the Trustees shall:
- (a) appoint the members of the IASB and establish their contracts of service and performance criteria;
 - (b) appoint the members of the IFRS Interpretations Committee (the Interpretations Committee) and the IFRS Advisory Council (the Advisory Council);
 - (c) review annually the strategy of the IFRS Foundation and the IASB and its effectiveness, including consideration, but not determination, of the IASB's agenda;
 - (d) approve annually the budget of the IFRS Foundation and determine the basis for funding;
 - (e) review broad strategic issues affecting financial reporting standards, promote the IFRS Foundation and its work and promote the objective of rigorous application of IFRSs, provided that the Trustees shall be excluded from involvement in technical matters relating to financial reporting standards;
 - (f) establish and amend operating procedures, consultative arrangements and due process for the IASB, the Interpretations Committee and the Advisory Council;
 - (g) review compliance with the operating procedures, consultative arrangements and due process as described in (f);
 - (h) approve amendments to this Constitution after following a due process, including consultation with the Advisory Council and publication of an exposure draft for public comment and subject to the voting requirements given in section 14;
 - (i) exercise all powers of the IFRS Foundation except for those expressly reserved to the IASB, the Interpretations Committee and the Advisory Council; and
 - (j) foster and review the development of educational programmes and materials that are consistent with the IFRS Foundation's objectives.
- 16 The Trustees may terminate the appointment of a member of the IASB, the Interpretations Committee or the Advisory Council, on grounds of poor performance, misbehaviour, incapacity or other failure to comply with contractual requirements, and the Trustees shall develop procedures for such termination.
- 17 The accountability of the Trustees shall be ensured *inter alia* through:
- (a) a commitment made by each Trustee to act in the public interest;
 - (b) their commitment to report to and engage with the Monitoring Board according to the terms described in sections 18–23;
 - (c) their undertaking a review of the entire structure of the IFRS Foundation and its effectiveness, such review to include consideration of changing the geographical distribution of Trustees in response to changing global

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economic conditions, and publishing the proposals of that review for public comment, the review beginning three years after the coming into force of this Constitution, with the objective of implementing any agreed changes five years after the coming into force of this Constitution; and

- (d) their undertaking a similar review subsequently every five years.

The Monitoring Board

- 18 A Monitoring Board will provide a formal link between the Trustees and public authorities. This relationship seeks to replicate, on an international basis, the link between accounting standard-setters and those public authorities that have generally overseen accounting standard-setters. A Memorandum of Understanding will be agreed between the Monitoring Board and the Trustees describing the interaction of the Monitoring Board with the Trustees. This Memorandum of Understanding will be made available to the public.
- 19 The responsibilities of the Monitoring Board shall be:
- (a) to participate in the process for appointing Trustees and to approve the appointment of Trustees according to the guidelines in sections 5-8.
 - (b) to review and provide advice to the Trustees on their fulfilment of the responsibilities set out in sections 13 and 15. The Trustees shall make an annual written report to the Monitoring Board.
 - (c) to meet the Trustees or a subgroup of the Trustees at least once annually, and more frequently as appropriate. The Monitoring Board shall have the authority to request meetings with the Trustees or separately with the Chair of the Trustees (with the Chair of the IASB as appropriate) about any area of work of either the Trustees or the IASB. These meetings may include discussion of issues that the Monitoring Board has referred for timely consideration by the IFRS Foundation or the IASB, and of any proposed resolution of those issues by the IFRS Foundation or IASB.
- 20 The Monitoring Board shall develop a charter that sets out its organisational, operating and decision-making procedures. The charter shall be made public.
- 21 Initially, the Monitoring Board shall comprise:
- (a) the responsible member of the European Commission;
 - (b) the chair of the IOSCO Emerging Markets Committee;
 - (c) the chair of the IOSCO Technical Committee (or vice-chair or designated securities commission chair in cases where either the chair of an EU securities regulator, commissioner of the Japan Financial Services Agency or chair of the US Securities and Exchange Commission is the chair of the IOSCO Technical Committee);
 - (d) the commissioner of the Japan Financial Services Agency;
 - (e) the chair of the US Securities and Exchange Commission; and
 - (f) as an observer, the chair of the Basel Committee on Banking Supervision.

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- 22 The Monitoring Board shall reconsider its composition from time to time relative to its objectives.
- 23 The Monitoring Board shall reach decisions to approve the appointment of Trustees and establish any common positions by consensus.

IASB

- 24 The IASB shall comprise fourteen members, increasing to sixteen members at a date no later than 1 July 2012. The members of the IASB are appointed by the Trustees under section 15(a). Up to three members may be part-time members (the expression 'part-time' meaning that the members concerned commit most of their time in paid employment to the IFRS Foundation) and shall meet appropriate guidelines of independence established by the Trustees. The remaining members shall be full-time members (the expression 'full-time' meaning that the members concerned commit all of their time in paid employment to the IFRS Foundation). The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members, although the Trustees shall use their best endeavours to achieve a full complement.
- 25 The main qualifications for membership of the IASB shall be professional competence and practical experience. The Trustees shall select members of the IASB, consistently with the Criteria for IASB members set out in the Annex to the Constitution, so that it will comprise a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience in order to contribute to the development of high quality, global financial reporting standards. The members of the IASB shall be required to commit themselves formally to acting in the public interest in all matters. No individual shall be both a Trustee and an IASB member at the same time.
- 26 In a manner consistent with the Criteria for IASB members as set out in the Annex to the Constitution and in order to ensure a broad international basis, there shall normally be, by 1 July 2012:
- (a) four members from the Asia/Oceania region;
 - (b) four members from Europe;
 - (c) four members from North America;
 - (d) one member from Africa;
 - (e) one member from South America; and
 - (f) two members appointed from any area, subject to maintaining overall geographical balance.

The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members according to the above geographical allocation, although the Trustees shall use their best endeavours to achieve the geographical allocation.

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- 27 The Trustees shall select IASB members so that the IASB as a group provides an appropriate mix of recent practical experience among auditors, preparers, users and academics.
- 28 The IASB will, in consultation with the Trustees, be expected to establish and maintain liaison with national standard-setters, other standard-setters, and other official bodies with an interest in accounting standard-setting in order to assist in the development of IFRSs and to promote the convergence of national accounting standards and IFRSs.
- 29 Each full-time and part-time member of the IASB shall agree contractually to act in the public interest and to have regard to the IASB's *Framework** (as amended from time to time) in deciding on and revising standards.
- 30 The Trustees shall appoint one of the full-time members as the Chair of the IASB, who shall also be the Chief Executive of the IFRS Foundation. Up to two of the full-time members of the IASB may also be designated by the Trustees as a Vice-Chair, whose role shall be to chair meetings of the IASB in the absence of the Chair or to represent the Chair in external contacts. The appointment of the Chair and the designation as Vice-Chair shall be for such term as the Trustees decide. The title of Vice-Chair would not imply that the member (or members) concerned is (or are) the Chair elect. The appointment of a Chair and Vice-Chairs should be made with regard to maintaining a geographical balance.
- 31 Members of the IASB appointed before 2 July 2009 shall be appointed for a term of five years, renewable once for a further term of five years. Members of the IASB appointed after 2 July 2009 shall be appointed initially for a term of five years. Terms are renewable once for a further term of three years, with the exception of the Chair and a Vice-Chair. The Chair and a Vice-Chair may serve a second term of five years, but may not exceed ten years in total length of service as a member of the IASB.
- 32 The Trustees shall develop rules and procedures to ensure that the IASB is, and is seen to be, independent, and, in particular, on appointment, full-time members of the IASB shall sever all employment relationships with current employers and shall not hold any position giving rise to economic incentives that might call into question their independence of judgement in setting financial reporting standards. Secondments and any rights to return to an employer would therefore not be permitted. Part-time members of the IASB would not be expected to sever all other employment arrangements.
- 33 Full-time and part-time members of the IASB shall be remunerated at rates commensurate with the respective responsibilities assumed: such rates shall be determined by the Trustees. Expenses of travel on IASB business shall be met by the IFRS Foundation.
- 34 The IASB shall meet at such times and locations as it determines: meetings of the IASB shall be open to the public, but certain discussions (normally only about selection, appointment and other personnel issues) may be held in private at the discretion of the IASB.

* The reference to the *Framework* is to IASC's *Framework for the Preparation and Presentation of Financial Statements*, adopted by the IASB in 2001. In September 2010 the IASB replaced the *Framework* with the *Conceptual Framework for Financial Reporting*.

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- 35 Each member of the IASB shall have one vote. On both technical and other matters, proxy voting shall not be permitted nor shall members of the IASB be entitled to appoint alternates to attend meetings. In the event of a tied vote, on a decision that is to be made by a simple majority of the members of the IASB present at a meeting in person or by telecommunications, the Chair shall have an additional casting vote.
- 36 The publication of an exposure draft, or an IFRS (including an International Accounting Standard or an Interpretation of the Interpretations Committee) shall require approval by nine members of the IASB, if there are fewer than sixteen members or by ten members if there are sixteen members. Other decisions of the IASB, including the publication of a discussion paper, shall require a simple majority of the members of the IASB present at a meeting that is attended by at least 60 per cent of the members of the IASB, in person or by telecommunications.
- 37 The IASB shall:
- (a) have complete responsibility for all IASB technical matters including the preparation and issuing of IFRSs (other than Interpretations) and exposure drafts, each of which shall include any dissenting opinions, and the approval and issuing of Interpretations developed by the Interpretations Committee.
 - (b) publish an exposure draft on all projects and normally publish a discussion document for public comment on major projects in accordance with procedures approved by the Trustees.
 - (c) in exceptional circumstances, and only after formally requesting and receiving prior approval from 75 per cent of the Trustees, reduce, but not dispense with, the period for public comment on an exposure draft below that described as the minimum in the Due Process Handbook.
 - (d) have full discretion in developing and pursuing its technical agenda, subject to the following:
 - (i) consulting the Trustees (consistently with section 15(c)) and the Advisory Council (consistently with section 44(a)); and
 - (ii) carrying out a public consultation every three years, the first of which shall begin no later than 30 June 2011.
 - (e) have full discretion over project assignments on technical matters: in organising the conduct of its work, the IASB may outsource detailed research or other work to national standard-setters or other organisations.
 - (f) establish procedures for reviewing comments made within a reasonable period on documents published for comment.
 - (g) normally form working groups or other types of specialist advisory groups to give advice on major projects.
 - (h) consult the Advisory Council on major projects, agenda decisions and work priorities.
 - (i) normally publish a basis for conclusions with an IFRS or an exposure draft.

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- (j) consider holding public hearings to discuss proposed standards, although there is no requirement to hold public hearings for every project.
 - (k) consider undertaking field tests (both in developed countries and in emerging markets) to ensure that proposed standards are practical and workable in all environments, although there is no requirement to undertake field tests for every project.
 - (l) give reasons if it does not follow any of the non-mandatory procedures set out in (b), (g), (i), (j) and (k).
- 38 The authoritative text of any exposure draft, draft Interpretation or IFRS shall be that published by the IASB in the English language. The IASB may publish authorised translations or give authority to others to publish translations of the authoritative text of exposure drafts, draft Interpretations and IFRSs.

IFRS Interpretations Committee (the Interpretations Committee)

- 39 The Interpretations Committee, formerly called the International Financial Reporting Interpretations Committee, shall comprise fourteen voting members, appointed by the Trustees under section 15(b) for renewable terms of three years. The Trustees shall select members of the Interpretations Committee so that it comprises a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience in the practical application of IFRSs and analysis of financial statements prepared in accordance with IFRSs. Expenses of travel on Interpretations Committee business shall be met by the IFRS Foundation.
- 40 The Trustees shall appoint a member of the IASB, the Director of Technical Activities or another senior member of the IASB staff, or another appropriately qualified individual, to chair the Interpretations Committee. The Chair has the right to speak to the technical issues being considered but not to vote. The Trustees, as they deem necessary, shall appoint as non-voting observers representatives of regulatory organisations, who shall have the right to attend and speak at meetings.
- 41 The Interpretations Committee shall meet as and when required and ten voting members present in person or by telecommunications shall constitute a quorum: one or two IASB members shall be designated by the IASB and shall attend meetings as non-voting observers; other members of the IASB may attend and speak at the meetings. On exceptional occasions, members of the Interpretations Committee may be allowed to send non-voting alternates, at the discretion of the Chair of the Interpretations Committee. Members wishing to nominate an alternate should seek the consent of the Chair in advance of the meeting concerned. Meetings of the Interpretations Committee shall be open to the public, but certain discussions (normally only about selection, appointment and other personnel issues) may be held in private at the Interpretations Committee's discretion.

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- 42 Each member of the Interpretations Committee shall have one vote. Members vote in accordance with their own independent views, not as representatives voting according to the views of any firm, organisation or constituency with which they may be associated. Proxy voting shall not be permitted. Approval of draft or final Interpretations shall require that not more than four voting members vote against the draft or final Interpretation.
- 43 The Interpretations Committee shall:
- (a) interpret the application of IFRSs and provide timely guidance on financial reporting issues not specifically addressed in IFRSs, in the context of the IASB's *Framework*,^{*} and undertake other tasks at the request of the IASB;
 - (b) in carrying out its work under (a) above, have regard to the IASB's objective of working actively with national standard-setters to bring about convergence of national accounting standards and IFRSs to high quality solutions;
 - (c) publish after clearance by the IASB draft Interpretations for public comment and consider comments made within a reasonable period before finalising an Interpretation; and
 - (d) report to the IASB and obtain the approval of nine of its members for final Interpretations if there are fewer than sixteen members, or by ten of its members if there are sixteen members.

IFRS Advisory Council (the Advisory Council)

- 44 The Advisory Council, formerly called the Standards Advisory Council, whose members shall be appointed by the Trustees under section 15(b), provides a forum for participation by organisations and individuals, with an interest in international financial reporting, having diverse geographical and functional backgrounds, with the objective of:
- (a) giving advice to the IASB on agenda decisions and priorities in the IASB's work,
 - (b) informing the IASB of the views of the organisations and individuals on the Advisory Council on major standard-setting projects and
 - (c) giving other advice to the IASB or the Trustees.
- 45 The Advisory Council shall comprise thirty or more members, having a diversity of geographical and professional backgrounds, appointed for renewable terms of three years. The Chair of the Advisory Council shall be appointed by the Trustees, and shall not be a member of the IASB or a member of its staff. The Trustees shall invite the Chair of the Advisory Council to attend and participate in the Trustees' meetings, as appropriate.
- 46 The Advisory Council shall normally meet at least three times a year. Meetings shall be open to the public. The Advisory Council shall be consulted by the IASB in advance of IASB decisions on major projects and by the Trustees in advance of any proposed changes to this Constitution.

* In September 2010 the IASB replaced the *Framework* with the *Conceptual Framework for Financial Reporting*.

Chief Executive and staff

- 47 As provided under section 30, the Chair of the IASB shall also be the Chief Executive of the IFRS Foundation, and shall be subject to supervision by the Trustees.
- 48 The Chief Executive shall be responsible for establishing the senior staff management team of the IFRS Foundation, in consultation with the Trustees.

Administration

- 49 The administrative office of the IFRS Foundation shall be located in such location as may be determined by the Trustees in accordance with section 13(d).
- 50 The IFRS Foundation shall be a legal entity as determined by the Trustees and shall be governed by this Constitution and by any laws that apply to such legal entity, including, if appropriate, laws applicable because of the location of its registered office.
- 51 The IFRS Foundation shall be bound by the signature(s) of such person or persons as may be duly authorised by the Trustees.

ANNEX

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Criteria for IASB Members

The following would represent criteria for IASB membership:

- 1 **Demonstrated technical competence and knowledge of financial accounting and reporting.** All members of the IASB, regardless of whether they are from the accounting profession, preparers, users or academics, should have demonstrated a high level of knowledge and technical competence in financial accounting and reporting. The credibility of the IASB and its individual members and the effectiveness and efficiency of the organisation will be enhanced with members who have such knowledge and skills.
- 2 **Ability to analyse.** IASB members should have demonstrated the ability to analyse issues and consider the implications of that analysis for the decision-making process.
- 3 **Communication skills.** Effective oral and written communication skills are necessary. These skills include the ability to communicate effectively in private meetings with IASB members, in public meetings, and in written materials such as financial reporting standards, speeches, articles, memos and external correspondence. Communication skills also include the ability to listen to and consider the views of others. While a working knowledge of English is necessary, there should not be discrimination in selection against those for whom English is not their first language.
- 4 **Judicious decision-making.** IASB members should be capable of considering varied viewpoints, weighing the evidence presented in an impartial fashion, and reaching well-reasoned and supportable decisions in a timely fashion.
- 5 **Awareness of the financial reporting environment.** High quality financial reporting will be affected by the financial, business and economic environment. IASB members should have an understanding of the global economic environment in which the IASB operates. This global awareness should include awareness of business and financial reporting issues that are relevant to, and affect the quality of, transparent financial reporting and disclosure in the various capital markets worldwide, including those using IFRSs.
- 6 **Ability to work in a collegial atmosphere.** Members should be able to show respect, tact and consideration for one another's views and those of third parties. Members must be able to work with one another in reaching consensus views based on the IASB's objective of developing high quality and transparent financial reporting. Members must be able to put the objective of the IASB above individual philosophies and interests.

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- 7 **Integrity, objectivity and discipline.** The credibility of members should be demonstrated through their integrity and objectivity. This includes intellectual integrity as well as integrity in dealing with fellow IASB members and others. Members should demonstrate an ability to be objective in reaching decisions. Members also should demonstrate an ability to show rigorous discipline and carry a demanding workload.
- 8 **Commitment to the IFRS Foundation's mission and public interest.** Members should be committed to achieving the objective of the IFRS Foundation of establishing international financial reporting standards that are of high quality, comparable, and transparent. A candidate for the IASB should also be committed to serving the public interest through a private standard-setting process.

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