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ACCOUNTING STANDARDS ADVISORY FORUM: CALL FOR NOMINATIONS

The International Financial Reporting Standards (IFRS) Foundation invites nominations of suitable candidates for membership of the Accounting Standards Advisory Forum (ASAF). Organisations may nominate themselves or another eligible organisation.

In November 2012 the IFRS Foundation published for public comment an Invitation to Comment on proposals to create the ASAF, consisting of national accounting standard-setters and regional bodies associated with accounting standard-setting. The creation of such an advisory group follows one of the main recommendations of the February 2012 report *Strategy Review 2011* by the Trustees of the IFRS Foundation. The responses to that consultation revealed a high level of support for establishing the ASAF as a means of securing a more streamlined and effective dialogue between the International Accounting Standards Board (IASB) and the global accounting standard-setting community. The feedback statement on the Invitation to Comment can be accessed on the IFRS Foundation's [website](#).

The proposed terms of reference for the ASAF are set out at Appendix A, setting out its objectives, together with its organisational structure and working mechanisms.

Candidates for membership

The ASAF will be chaired by the IASB and have 12 other members, with the following geographical balance:

- Africa - 1 seat
- Americas - 3 seats
- Asia-Oceania - 3 seats
- Europe (including non-EU) - 3 seats
- World at large - 2 seats.

Membership of the ASAF is open to all recognised accounting standard-setters of countries or jurisdictions, plus the following regional bodies: the Asian-Oceanian Standard-Setters Group (AOSSG), the European Financial Reporting Advisory Group (EFRAG), the Group of

Latin American Standard-Setters (GLASS) and the Pan-African Federation of Accountants (PAFA).

Candidates for membership are asked to confirm that they would be willing to sign a Memorandum of Understanding (MoU) with the IFRS Foundation (the proposed MoU is attached at Appendix B) and provide the commitments as set out in section 2 of the attached MoU.

For its part, the IFRS Foundation confirms that it will formally meet the commitments set out in section 3 of the attached MoU.

Criteria for membership

Candidates should explain how they meet, or plan to meet, the criteria for membership in support of the commitments set out in the MoU, in particular:

- technical competence – having the necessary technical resources, including human capital resources with standard-setting expertise, technical experience and practical knowledge of financial reporting issues, to enable them to contribute meaningfully and participate actively in substantive technical discussions; and
- the scale, degree and expertise of the resources available to the organisation that will enable it to participate as an active member of the ASAF, including funding the travel and accommodation costs of representatives and the ability and willingness to devote the time and resources where necessary to the preparation of material for ASAF meetings.

Other factors

Candidates are also invited to submit any additional material they consider relevant to support their nomination to be a member of ASAF, including on the following:

- the organisation's knowledge and experience of IFRSs and their application;
- the organisation's contribution to the activities of the IFRS Foundation and the IASB's standard-setting process and its knowledge of the issues and concerns from its jurisdiction/region – together with examples;
- details of the scale of the capital market in their country/jurisdiction/region; and
- how the organisation intends to seek input from and represent other perspectives of NSS within its region (where relevant).

Nominations

Nominations and applications are invited by 28 February 2013 to the following e-mail address: jjones@ifrs.org. Membership will be on the basis of organisational representation. Candidate organisations are invited to select a single designated individual who will be their

representative on ASAF. The individuals should meet the criteria set out in paragraph 2.2.3 of the proposed terms of reference at Appendix A.

Process for selection

Candidates will be selected on the basis of the geographical balance, the membership criteria and other factors referred to above. The IFRS Foundation will consider all candidates for selection taking these issues into account and proposes to discuss shortlisted nominations with a range of relevant regional and other bodies. This will be a flexible process depending on the circumstances prevalent in each region. Where regional groups of NSS exist, in Asia-Oceania and Latin America, the IFRS Foundation will consult AOSSG and GLASS, including on the question of regional representation. In the European Union, the IFRS Foundation will co-ordinate with the European Commission. Although not a grouping of standard-setters, PAFA will be consulted on representation for Africa. Where regional groupings do not exist, the IFRS Foundation will consult with relevant standard-setters and bodies. The final selection of members of the group will be by the Trustees of the IFRS Foundation, having taken advice from the IASB.

Subject to the progress of the selection process, the IASB has tentatively set dates of 8-9 April 2013 for the first meeting of the ASAF.

ACCOUNTING STANDARDS ADVISORY FORUM: PROPOSED TERMS OF REFERENCE/CHARTER

The Accounting Standards Advisory Forum (ASAF) is a group of nominated members from both National Standard-Setters ('NSS') and regional bodies involved with accounting standard-setting (regional bodies). The members of ASAF and the IFRS Foundation (the Foundation) signed a memorandum of Understanding on _____. This document sets out ASAF's terms of reference.

1. OBJECTIVES OF THE ASAF

- 1.1. The G20 has consistently emphasised the importance of working towards a single set of high quality global accounting standards, and called upon accounting standards setters to continue their efforts to achieve this goal. The IFRS Foundation (the 'Foundation') has set as its objectives the aim 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; to promote, and facilitate the adoption of International Financial Reporting Standards ('IFRSs') around the globe and to promote the consistent application of IFRSs around the globe. These standards should serve investors and other market participants in making informed resource allocation and other economic decisions. The International Accounting Standards Board ('IASB') is the standard-setting body of the Foundation.
- 1.2. The objective of the ASAF is to provide an advisory forum where members can constructively contribute towards the achievement of the IASB's goal of developing globally accepted high-quality accounting standards. More particularly ASAF is established to:
 - support the Foundation in its objectives, and contribute towards the development, in the public interest, of a single set of high quality understandable, enforceable and globally accepted financial reporting standards to serve investors and other market participants in making informed resource allocations and other economic decisions;
 - formalise and streamline the IASB's collective engagement with the global community of NSS and regional bodies in its standard setting process to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard setting activities are discussed and considered; and
 - facilitate effective technical discussions on standard-setting issues, primarily on the IASB's work plan but which may include other issues that have major implications for the IASB's work, in sufficient depth, with representatives at a high level of professional capability and with a good knowledge of their jurisdictions/regions;

2. ORGANISATIONAL STRUCTURE AND WORKING MECHANISMS

2.1. Chairmanship

- 2.1.1. The IASB Chair or the Vice-Chair shall be the Chair of the ASAF.

2.1.2. The Chair shall have the discretion to draw up the ASAF technical agenda, following consultation with the IASB and ASAF members, and structure the meetings in such a way as to ensure optimal and constructive, in-depth technical discourse to achieve the ASAF's objectives.

2.2. Membership

2.2.1. The ASAF shall comprise twelve non-voting members, represented by twelve individuals, plus the Chair.

2.2.2. The twelve individuals shall represent twelve NSS and regional bodies from around the globe. The appointment is not in their personal capacity.

2.2.3. The individual representatives of the ASAF members should be capable of providing technical expertise, experience and practical knowledge of accounting issues from within their jurisdiction/regions to enable them to contribute meaningfully to technical discussions and provide reliable and relevant technical advice to the IASB.

2.2.4. Every ASAF member shall be capable of, and willing to, allocate and commit necessary staffing and resources to meet the objectives of the ASAF and the IASB.

2.2.5. In order to ensure a broad geographical representation and balance of the major economic regions in the world, the twelve members shall be from the following geographical regions:

- One member from Africa;
- Three members from the Americas (North and South);
- Three members from the Asia/Oceania region;
- Three members from Europe (including non EU); and
- Two members appointed from any area of the world at large, subject to maintaining overall geographical balance.

2.2.6. In order to ensure efficiency and continuity, there shall be a single designated representative for each member organisation. The single designated representative may be the Chair, or another senior member of staff from the organisation, who fulfils the requirements of section 2.2.3. The single designated representative may delegate another member of his/her organisation with specialist expertise to represent the organisation in discussions on particular agenda items.

2.2.7. The Chair shall have the discretion to invite a representative of a non-member NSS or regional body to attend and participate in ASAF meetings, subject to any attendee having the technical expertise and capability to make a valuable contribution to the ASAF in accordance with section 2.2.3 above. Where possible, the Chair will endeavour to obtain the prior consensus of the meeting.

2.2.8. Members of the IASB may attend ASAF meetings.

2.2.9. Membership of ASAF, which is renewable, is subject to review every two years (which itself is subject to the continued existence of ASAF). As well as achieving the geographical balance referred to in section 2.5.5 above, the review,

as well as the initial composition, of the membership will take into account factors such as technical competence, the scale of the jurisdiction's capital market, the organisation's contribution to the IASB's standard-setting process and the scale and degree of the human capital resources available to the organisation, among others.

2.2.10. Members of ASAF will be selected by the Trustees of the IFRS Foundation, following a call for candidates. In selecting the membership, the IFRS Foundation will consult with relevant regional bodies and regulatory bodies.

2.3. Meetings

2.3.1. Meetings shall normally be held in London, utilising the Foundation's secretariat and resources to host the meeting, including the meeting venue and relevant catering. The Chair and ASAF members may agree to hold meetings in other locations.

2.3.2. Travel and accommodation costs of attending ASAF meetings shall be borne by the members attending the meeting.

2.3.3. Foundation staff shall prepare the proposed agenda for each meeting, in consultation with ASAF members, in order to provide a summary of the key issues under consideration. The final agenda for each meeting is at the discretion of the Chair of the ASAF. Supporting papers for the meetings will be prepared by Foundation staff or by ASAF members. The agenda and the supporting papers shall be circulated in advance in order to ensure that ASAF members are fully prepared and capable of actively and constructively participating in all ASAF discussions and work.

2.3.4. Members of the ASAF are recommended to attend all meetings in person. If attendance in person is not possible members may attend by using teleconferencing, videoconferencing or any other electronic means.

2.4. Communication

2.4.1. All ASAF meetings shall be held in public and webcast for the benefit of stakeholders and observers around the globe. Agenda papers and a meeting summary will be posted on the Foundation's website.

2.4.2. The Foundation shall maintain a separate section of its website for ASAF, with the intention of providing information and support for all stakeholders.

2.5. Review of ASAF

2.5.1. All aspects of ASAF and its operations shall be reviewed by the IFRS Foundation two years after the establishment of the group (as from the date of signing the Memorandum of Understanding).

ACCOUNTING STANDARDS ADVISORY FORUM: PROPOSED MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made on _____ day

BETWEEN

THE IFRS FOUNDATION

AND

NATIONAL STANDARD-SETTERS AND REGIONAL BODIES

1. PREAMBLE

The G20 has consistently emphasised the importance of working towards a single set of high quality global accounting standards, and called accounting standards setters to continue their efforts to achieve this goal¹. The IFRS Foundation (the ‘Foundation’) has set as its objectives the aim 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; to promote, and facilitate the adoption of International Financial Reporting Standards (‘IFRSs’) around the globe and to promote the consistent application of IFRSs around the globe. These standards should serve investors and other market participants in making informed resource allocation and other economic decisions. The International Accounting Standards Board (‘IASB’) is the standard-setting body of the Foundation.

The Accounting Standards Advisory Forum (‘ASAF’) is established to support the Foundation in achieving its objectives.

¹ **2008 (Washington)**: The key global accounting standards bodies should work intensively toward the objective of creating a single high-quality global standard. Source:

<http://www.g20.utoronto.ca/summits/2008washington.html> / Action Plan:

<http://www.g20ys.org/docs/Washington%202008.pdf>.

2009 (Pittsburgh): We call on our international accounting bodies to redouble their efforts to achieve a single set of high quality, global accounting standards within the context of their independent standard setting process, and complete their convergence project by June 2011. Source:

<http://www.g20.org/images/stories/docs/eng/pittsburgh.pdf>.

2009 (London): Accounting standard setters should take action by the end of 2009 to make significant progress towards a single set of high quality global accounting standards.

Source: <http://www.g20.utoronto.ca/2009/2009ifi.pdf>.

2010 (Toronto): We re-emphasized the importance of achieving a single set of high quality improved global accounting standards. Source: <http://www.g20.utoronto.ca/2010/to-communicate.html>.

2011 (Cannes): We reaffirm our objective to achieve a single set of high quality global accounting standards.

Source: <http://www.g20.utoronto.ca/summits/2011cannes.html>.

2012 (Los Cabos): We support continuing work to achieve convergence to a single set of high-quality accounting standards. Source: <http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html>.

ASAF is a group of nominated members from both National Standard-Setters ('NSS') and regional bodies involved with accounting standard-setting (regional bodies).

The Foundation recognises that NSS and regional bodies have expertise in standard-setting and valuable local jurisdictional experience and knowledge, which should be taken into account by the IASB in setting global financial and reporting standards. The ASAF will provide the opportunity for greater valuable discourse, complement the existing IASB's outreach activities and enhance the quality of the final standard.

The objective of the ASAF is to provide an advisory forum where members can constructively contribute towards the achievement of the IASB's goal of developing globally accepted high-quality accounting standards. More particularly ASAF is established to:

- support the Foundation in its objectives, and contribute towards the development, in the public interest, of a single set of high quality understandable, enforceable and globally accepted financial reporting standards to serve investors and other market participants in making informed resource allocations and other economic decisions;
- formalise and streamline the IASB's collective engagement with the global community of NSS and regional bodies in its standard setting process to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard setting activities are discussed and considered; and
- facilitate effective technical discussions on standard-setting issues, primarily on the IASB's work plan, but which may include other issues that have major implications for the IASB's work, in sufficient depth, with representatives at a high level of professional capability and with a good knowledge of their jurisdictions/regions.

The parties of this MOU respect each other's role and the establishment of ASAF does not in any way undermine their respective formal mandates: The IFRS Foundation recognises the independent roles that NSS and regional bodies have within their own national and regional context, and the members of ASAF recognise that the IASB operates within the framework of the Foundation's constitution which sets the principle of the IASB's independence in developing IFRSs.

The parties of this MOU may maintain open relationships with other stakeholders, and the establishment of ASAF does not preclude the IASB or the members of ASAF from having individual relationships with stakeholders and there should be no restriction on the ability of the parties to develop and maintain their own relationships.

2. COMMITMENTS OF ASAF MEMBERS

The ASAF members formally commit to:

2.1 Supporting and contributing to the IFRS Foundation in its mission to develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards;

2.2 Encouraging input from constituents within their jurisdiction/regions on the technical standard-setting activities of the IASB;

2.3 Providing the technical resources including the appointment of representatives with standard setting experience and expertise, allocating technical resources in preparation for ASAF meetings and participating actively in substantive technical discussions;

2.4 Providing the necessary resources to act as an active member of ASAF, including time and travel costs;

2.5 Respecting the IASB's independence, by ensuring that ASAF's discourse does not compromise or challenge the independence and integrity of the IASB and its duty to be the final arbiter of IFRSs.

3. COMMITMENTS OF THE FOUNDATION

The Foundation formally commits to:

3.1 Actively engaging with the ASAF and ensuring that its views and feedback are faithfully and fully presented to the IASB as a substantive part of stakeholder outreach.

3.2 Providing technical resources to contribute to ASAF's effective work and discussions, including the participation of IASB representatives (the Chair and other IASB members), and experienced staff with technical expertise.

3.3 Providing the necessary liaison, communication and support between the ASAF and the IASB.

3.4 Preparing the agenda and ensuring the timely circulation of the agenda and supporting papers (prepared by IASB staff or ASAF members), in order to ensure that ASAF members have the opportunity to be fully prepared and capable of actively and constructively participating in all ASAF discussions and work.

3.5 Providing the necessary resources and secretariat to host the ASAF meetings.

3.6 Ensuring full transparency of ASAF discussions, including that all meeting agendas, supporting papers and meeting summaries are placed in the public domain, meetings are webcast, and preparing and publishing appropriate press releases and communication following ASAF meetings for the benefit of stakeholders and observers around the globe.

3.7 Respecting the independence of ASAF members and recognising that ASAF's members operate under their own specific national mandates, and undertakes not to undermine or compromise the existing legal rights and obligations of the ASAF members within their respective jurisdictions.