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Yael Almog
Executive Director
IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Invitation to Comment: Proposal to Establish an Accounting Standards Advisory Forum (ASAF)

Dear Ms Almog

Thank you for the opportunity to comment on the above proposal.

The FRC strongly supports the Trustees' recommendation for an ASAF that facilitates networking between the IASB and the national, and regional, accounting standard-setters.

The FRC considers that progress towards the adoption of IFRS on a global basis can only be achieved with the close cooperation of national and regional accounting standard setters because of the key role they play in their jurisdictions as facilitators for change and for making an ongoing contribution to the development of IFRS.

In the FRC's view the IFRS Foundation proposals rightly recognise that the ASAF would not be a substitute for a broader relationship model between the IASB and national/regional accounting standard-setters but would provide a valuable opportunity for direct engagement between IASB members and national/regional accounting standard setters.

The FRC supports the view that members of the ASAF should be chosen for the active contribution they will make to the discussion of current and future technical issues. The FRC also supports keeping the ASAF to a manageable size to help ensure that the group functions effectively.

The FRC is pleased to see that Asia-Oceania has been recognised in the proposals for the ability of accounting standard-setters in the region to contribute to the development of IFRS. In this context, the FRC believes that the Australian Accounting Standards Board would be well-placed to contribute to the ASAF.

The FRC also supports the proposed commitment that ASAF members would need to make. The FRC believes it is important that ASAF members have a public interest focus and that they share a commitment to developing a single set of high quality global standards. Having said that, we do not believe that the wording of any commitment should be so restrictive as to preclude a national standard-setter, working towards the achievement of such a set of standards, from participating.

The FRC believes that it is an advantageous time to introduce the proposed ASAF given the stage that progress towards IFRS has reached in major jurisdictions and the impending introduction of new topics to the IASB's agenda.

In view of the limited resources of the IASB and national/regional accounting standard-setters, the FRC considers that the proposed ASAF would also provide an opportunity for the IASB to rationalise the number and type of forums in which it engages. These might include the International Forum of Accounting Standard-Setters and the World Standard-Setters forum.

If you require further information on this matter from the FRC, please contact the FRC Secretary, frsecretary@treasury.gov.au or + 61 2 6263 3144.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Lynn Wood', written in a cursive style.

Lynn Wood
Chairman
Financial Reporting Council