



REDOVISNINGSRÅDET

Warren McGregor
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

We appreciate the opportunity to respond to IASB's *Draft Memorandum of Understanding on the role of accounting Standard-Setters and their relationships with the IASB*. The comments in this letter represents the views of the Swedish Financial Accounting Standards Council (SFASC).

We welcome IASB's efforts to address the issues of roles and responsibilities of the IASB and the national standard-setters (NSS). It is of great importance that co-operation between the IASB and the national standard-setters is well defined and based on a mutual communication. Our comments on the draft are as follows:

Balancing of interests. In all co-operation the balancing of interest and expectations are of great importance and the SFASC believes that the mutual interest could be improved if the draft MOU takes into account the following comments:

- 1) Greater effort in communication with constituencies is worth aiming at e.g by keeping the IASB project timetable and project information concerning IASBs activities on the IASB-website updated and synchronizing project summaries with information provided in the IASB Update. An improvement is needed to provide the National Standard-Setter with relevant information for communicating the work of the IASB at an early stage as well as promoting early feed-back.
- 2) There is a need for a two-way communication between the IASB and the national standard-setters rather than only having the national standard-setters communicating the work of the IASB. A better dialogue would be promoted if a staff member of the IASB is appointed as being contact person in relation to certain national standard-setters. The staff member could advice the national standard-setter on which project manager to get in contact with concerning a certain issue. This would allow the national standard-setter to work more proactively.
- 3) The draft MOU seems biased in places. Section 3, for example, explains the communication 'obligations' of the NSS, but says less about the IASB's communications obligations. In the same way paragraph 4.1 makes it clear that, in a joint project, it is important that the IASB is independent, but leaves out the importance in such circumstances that the NSS also maintains its independence.
- 4) In paragraph 3.20 it is stated that "accounting standard-setters should be a key channel for information flowing to the IASB from government agencies, politicians and others who are engaged in non-technical debate." The SFASC is of the view that it is not within the power of the national standard-setter to determine how and to who government agencies, politicians and others should communicate.

In order to promote the due process of co-operation between the IASB and the national standard-setters the SFASC would like the MOU to reflect these views.

Stockholm 2005-07-25

THE SWEDISH FINANCIAL ACCOUNTING STANDARDS COUNCIL

Dennis Svensson
Managing Director