



29 June 2005

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

Dear Warren,

**Draft Memorandum of Understanding on the Role of Accounting Standard Setters and their relationship with the IASB**

1. Norsk RegnskapsStiftelse (the Norwegian Accounting Standards Board – NASB) would express the support of issuing a memorandum of understanding on the relations between national accounting standard setters and the IASB and is pleased to submit its comments.
2. We support broadly the proposals in the MoU which we believe will benefit the users of financial reporting standards as well as national and international standard setters.
3. We will recommend that the MoU should deal both with the relationship between the IASB and national standard setters and between the IASB and regional organisations such as EFRAG. European standard setters have a close relationship with each others and with EFRAG. The MoU should also cover the meetings between standard setters at different levels.
4. The memorandum of understanding should address the issues of translation and copyright.
5. Section 7 discusses the role of national accounting standard setters in the interpretation process and suggests (7.7) that national standard setters, in certain circumstances, can issue their own interpretations. We support the proposal. We assume that it will be costly and time inefficient to involve IFRIC in all details on how IFRSs should be understood. National standard setters could work together or in understanding with IFRIC/IASB so that clearly national topics can be interpreted. As for the Nordic region the national standard setters are also working close together, examining and informing each others on important topics. A model like this on regional level could be used elsewhere.

On matters that are not national topics, interpretations could be issued after a statement from IFRICs agenda committee that will not deal with the topic. An alternative to interpretations in these cases, is that national standard setters issue guidelines on how to understand the standards.

Standard setters could further have a role in feeding information to IFRIC and in preparing solutions. It is important that topics raised by organisations in one country, involve the national standard setter to secure a faithful presentation.

#### Detailed comments

6. Paragraph 2.3 of the draft MoU states that national standard setters should take a responsibility to identify regulatory barriers to adopting IFRS. In many countries the standard setters are not in a position to remove the barriers, but should propose to national governments to remove the barriers.
7. We support the idea that seems to be the basis for paragraph 3.20 for coordination of national topics that are raised with the IASB. But we believe it is little realistic that governmental agencies will raise topics with IASB through national standard setters. Receiving such questions, the IASB should involve the national standard setter both receive input to the interpretation and to secure that the question gives a faire presentation of the problem.
8. We support the establishing of the database as presented in paragraph 3.7. Will the database be publicly available and how will it be linked with other databases such as databases held by regulators such as CESR.
9. We disagree with the assertion put forward in paragraph 5.1. The IASB states, in paragraph 5.1, that the views of national or regional standard-setters can be a valuable source of independent thought to complement the comments of those who have financial interest in the outcome of a project. The IASB should consider that also academics and professional bodies, for instance, comment on IFRS, but do not have a financial interest in the outcome of a project. Therefore, we like to suggest that paragraph 5.1 be amended to read as follows: "The views of national or regional standard-setters can be a valuable source of independent thought to complement the comments of specific interest groups."
10. We believe that neither the IASB nor the IASCF should be involved in education.

We would be pleased to discuss with you any aspect of this letter which you may wish to raise with us.

Yours sincerely  
Norsk RegnskapsStiftelse

Idar Eikrem  
Chairman