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Ms Andrea Pryde
IASB,
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E-mail: CommentLetters@iasb.org

Date: 25 June 2004

Dear Ms Pryde,

Strengthening the IASB's deliberative processes

The Chartered Institute of Management Accountants is pleased to have the opportunity to comment on this consultation. The Chartered Institute of Management Accountants (CIMA) is a global professional body specialising in management accounting. CIMA represents over 62,000 members and 81,000 students in 154 countries. A hard copy of this email will be put in the post to you today.

CIMA is committed to high quality, global, principle-based, neutral financial reporting standards and supports the widespread adoption of IFRS. We feel that the increase in complexity of annual financial reports resulting from new accounting standards is one of the biggest challenges facing preparers of financial statements. We call on the IASB to further consider the usability of the output from IFRS and recommend greater use of summary reports, and comment on relevant, material business issues along the lines of the Operating and Financial Review in the UK.

CIMA commend the IASB's improvements to its deliberative process and feel that the publication of comment letters when received and summaries of the Board's position on major points raised in these letters contribute significantly to a strengthening of its procedures.

We would urge the IASB to give the utmost consideration to the understandability and practicability of its standards. We feel that preparers of financial statements have a significant and important role to play in the development of such standards and would welcome greater involvement by this group in the IASB Constitution and due process.

The best financial standards will result from widespread consultation and consideration. The simpler and clearer the standards are, the more interaction the IASB will receive and so the better the final outcome will be. In this respect we are pleased to note that the IASB intends to make greater use of discussion papers in the future. In our opinion the use of discussion papers should become the norm rather than the exception.

We note that the Constitution Committee of IASCF has included amongst its ten main issues for consideration the voting procedures of IASB. Taking in to account the wide implications of new or amended standards and in order to ensure a strong consensus we feel it is advisable to change the voting rules to a qualified majority basis, for instance at least 66% in favour of any particular amendment or new standard.

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

Yours sincerely

Nick Topazio

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