

财政部会计准则委员会

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国际会计准则委员会基金会

尊敬的盖瑞特·扎尔姆主席：

我们欢迎理事会就《章程审议：确定审议第二阶段的议题》公开征求意见。收到征求意见稿后，财政部和中国会计准则委员会进行了研究。我们建议受托人在章程审议工作中更多地考虑新兴市场 and 转型经济国家的情况，并确保理事会独立的准则制定工作既不受政治压力的干扰，又能适应全球经济形势的变化并及时采取行动。详细意见见附件。

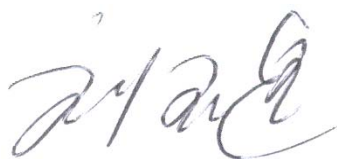
感谢受托人及您本人为推动《章程》修订所做出的不懈努力！

此致

敬礼！

中华人民共和国财政部会计司司长

中国会计准则委员会委员



二〇〇九年三月三十日

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March 30, 2009

Mr. Gerrit Zalm
Chairman
IASCF
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr. Gerrit Zalm,

Re: CASC's Comments to *Review of the Constitution: Identifying issues for Part 2 of the Review*

We welcome the Board's consultation on *Review of the Constitution: Identifying issues for Part 2 of the Review*. Upon receiving the exposure draft, Ministry of Finance and China Accounting Standards Committee (CASC) conducted relevant a research on relevant topics. We recommend that the Trustees give more considerations to the specific circumstances of the emerging markets and economies in review of the Constitution, and ensure the Board to formulate the standards independently, free from political pressures while sensitive to the changing global economy with timely actions. Please refer to the attachment for our comments to specific questions.

We would like to express our hearty thanks to you as well as the Trustees for the unremitting efforts in promoting the modification of the Constitution.

Sincerely yours,

Liu Yuting [Signed]

*Director-General, Accounting Regulatory Department, MOF
Member of China Accounting Standards Committee (CASC)*

Comments of China Accounting Standards Committee (CASC) to *Review of the Constitution: Identifying issues for Part 2 of the Review*

Objectives of the organisation

Questions for consideration

1. The Constitution defines the organisation's primary objective in the following manner:

to develop, in the public interest, a single set of high quality, understandable and enforceable global accounting standards that require high quality, transparent and comparable information in financial statements and other financial reporting to help participants in the world's capital markets and other users make economic decisions

In fulfilling that objective, the organisation is

to take account of, as appropriate, the special needs of small and medium-sized entities and emerging economies

Does the emphasis on helping 'participants in the world's capital markets and other users make economic decisions', with consideration of 'the special needs of small and medium-sized entities and emerging economies', remain appropriate?

2. In the opinion of the Trustees, the commitment to drafting standards based upon clear principles remains vitally important and should be enshrined in the Constitution. Should the Constitution make specific reference to the emphasis on a principle-based approach?

3. The Constitution and the IASB's Framework place priority on developing financial reporting standards for listed companies. During the previous review of the Constitution some commentators recommended that the IASB should develop financial reporting standards for not-for-profit entities and the public sector. The Trustees and the IASB have limited their focus primarily to financial reporting by private sector companies, partly because of the need to set clear priorities in the early years of the organisation. The Trustees would appreciate views on this point and indeed whether the IASB should extend its remit beyond the current focus of the organisation.

4. There are other organisations that establish standards that are either based upon or have a close relationship with IFRSs. The IASC Foundation already recognises the need to have close collaboration with accounting standard-setting bodies. Should the Constitution be amended to allow for the possibility of closer collaboration with a wider range of organisations, whose objectives are compatible with the IASC Foundation's objectives? If so, should there be any defined limitations?

Comments:

1. We hold that modifications should be made to the current Constitution in terms of the definitions of the emerging markets as well as the small and medium-sized entities (SMEs). First of all, we propose to change the diction into “*to take account of the special needs of emerging economies and, as appropriate, small and medium-sized entities*” in order to highlight the necessity of emerging economies. Secondly, we propose the definition of the role of the “SMEs” be standardized in accordance with the language adopted by the IFRS for NPAEs (non-publicly accountable entities), which is to be released soon.
2. We support to include the principle-based approach in the Constitution, while the Trustees and the Board must recognize that all existing international standards are not principle-based, as this approach is difficult to follow in some existing standards.
3. With regards to the work resources of the Foundation and the Board, we don’t consent to extend the remit of the IASB to public sector entities and non-profit organizations at this stage. However, as the public sector entities and non-profit organizations in some jurisdictions have adopted the IFRSs, we hope that the Board can establish closer cooperation with the standard-setters concerned.

Governance of the organisation

5. The first part of the review of the Constitution proposed the establishment a formal link to a Monitoring Group. Under this arrangement, the governance of the organisation would still primarily rest with the Trustees. Although the first part of the review has not yet been completed, the Trustees would welcome views on whether the language of Section 3 should be modified to reflect more accurately the creation of the Monitoring Group and its proposed role.

Comments:

We disagree to modify the current governance of the organization. The Monitoring Group is an external organization, with which the Trustees has built an official link in order to enhance the Foundation’s accountability duties. Above all, the Monitoring Group does not belong to the internal organizations, and thus shall not be referred to in “Governance of the Organization” in the Constitution. Secondly, the position has been perfectly summarized in the purpose of the organization as “in the public interest”. Thirdly, we must make gradual progress to better reflect the public accountability in the work of the Board and the Foundation, especially in the context of the current global financial crisis. A Constitution containing the Monitoring Group may mislead relevant parties to think that the Foundation in approach to better reflecting the public accountability is stalled as it rests on the establishment of the Monitoring Group.

Trustees

6. The Trustees are appointed according to a largely fixed geographical distribution. Is such a fixed distribution appropriate, or does the current distribution need review?

7. Sections 13 and 15 set out the responsibilities of the Trustees. The intention of these provisions is to protect the independence of the standard-setting process while ensuring sufficient due process and consultation — the fundamental operating principle of the organisation. In addition to these constitutional provisions, the Trustees have taken steps to enhance their oversight function over the IASB and other IASC Foundation activities. The Trustees would welcome comments on Sections 13 and 15, and more generally on the effectiveness of their oversight activities.

8. The Trustees are responsible for ensuring the financing of the IASC Foundation and the IASB. Since the completion of the previous review of the Constitution, the Trustees have made progress towards the establishment of a broad-based funding system that helps to ensure the independence and sustainability of the standard-setting process. (For an update on the funding status, see <http://www.iasb.org/About+Us/About+the+IASC+Foundation/Funding.htm>). However, the Trustees have no authority to impose a funding system on users of IFRSs. The Trustees would welcome comments on the progress and the future of the organisation's financing.

Comments:

We believe the geographical distribution of the current Trustees is appropriate. We perceive the financing of the Foundation as an internal affair which needs not public consultations if not involving fundamental changes.

In addition, we disagree that the Foundation and the Board in the purpose of convergence or satisfying legal requirements for accounting standards setters in certain countries, to modify in haste the existing financing framework of the Foundation without a full, global discussion. Any such modification shall get through open, deliberate and appropriate procedures, such as a series of global roundtable conferences.

International Accounting Standards Board

9. Commentators have raised issues related to the IASB's agenda-setting process. The Constitution gives the IASB 'full discretion in developing and pursuing its technical agenda'. The Trustees have regularly reaffirmed that position as an essential element of preserving the independence of the standard-setting process. However, they would welcome views on the IASB's agenda-setting process and would appreciate it if, in setting out views, respondents would discuss any potential impact on the IASB's independence.

10. The Constitution describes the principles and elements of required due process for the IASB. The IASB's procedures are set out in more detail in the IASB Due Process Handbook. If respondents do not believe the procedures laid out in the Constitution are sufficient, what should be added? If respondents believe that the procedures require too much time, what part of the existing procedures should be shortened or eliminated? The Trustees would also welcome comments on recent enhancements in the IASB's due process (such as post-implementation reviews, feedback statements, and effect analyses) and on the IASB Due Process Handbook.

11. Should a separate 'fast track' procedure be created for changes in IFRSs in cases of great urgency? What elements should be part of a 'fast track' procedure?

Comments:

We recommend that Trustees increase the number of review on the Board's working agenda from once annually to twice or three times a year, and listen to the Board's report on the agenda of LASB-FASB MoU projects. This comment is not for Trustees to intervene in the Board's working agenda; in the contrary, it helps to safeguard the agenda and the standards formulation from external interventions.

We don't agree to establish a "fast track". Shall the existence of such a procedure lead to a disparity from the standards formulated through regular procedures in terms of the effect? The due process is an important measure to ensure the Board's independence in standards formulation; "fast track", though possibly very helpful in some circumstances, is open to abuse.

Standards Advisory Council

12. Are the current procedures and composition, in terms of numbers and professional backgrounds, of the Standards Advisory Council (SAC) satisfactory? Is the SAC able to accomplish its objectives as defined in Section 38?

13. Attached to this discussion document are the terms of reference for the SAC, which describe the procedures in greater detail.

Comments:

We believe that the current SAC is able to fulfill its mission. To create a SAC with higher work efficiency and able to give valuable consultant advice, we advocate to set up some working groups in SAC for in-depth research on specific standards issues reports issued.

Other issues

14. Should the Trustees consider any other issues as part of this stage of their review of the Constitution?

No Comments to Paragraph 14.