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Seoul 100-753, (South) Korea

18 September 2008

IASCF Proposal 'Review of the Constitution'
IASC Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir or Madam:

The Korea Accounting Standards Board (KASB) has finalized its comments on IASCF Proposal 'Review of the Constitution'. I would appreciate your including our comments in your summary of analysis.

The enclosed comments represent official positions of the KASB. They have been determined after extensive due process and deliberation.

Please do not hesitate to contact us if you have any inquiries regarding our comments. You may direct your inquiries either to me (cwsuh@kasb.or.kr) or to Mr. Sung-ho Joo (sung-ho.joo@kasb.or.kr), researcher of KASB.

Yours sincerely,



Dr. Chungwoo Suh
Chairman, Korea Accounting Standards Board

Cc: Sungsoo Kwon, Director of Research Department

- a. Erase the list of the members in the monitoring group (Section 21)
- It is very difficult to identify the principle and basis behind the proposed membership.
 - Financial supervisory service ('FSS') in Korea expressed the concern that government agencies in only major countries (Europe, US, Japan) are included in current list of the Monitoring group, which can impair the independency of IASCF and IASB.
- b. Include the criterion for selecting members in the Monitoring group
- For Monitoring group the external independency is an essential element. Moreover, considering the obligation of the Monitoring group which is reviewing the fulfillment of Trustee's constitutional duties the external independency with the Trustee needs to be strengthened. If the members of the Trustee and those of the Monitoring group came from the same interested group (ex: a same country), then external independency can be impaired. Currently, based on the proposed composition of the Monitoring group, this problem already happens.
 - To resolve this problem, some alternatives can be included in constitution
 - ✓ The chair of a organisation that represent the interest of a certain country is not qualified for a member of the Monitoring group
 - ✓ Geographical consideration in the composition of the Monitoring group

Q4. Given the proposed creation of a Monitoring Group, would there be a continued need for the Trustee Appointments Advisory Group* in the selection of Trustees? If so, what should be the role and composition of the Trustees Appointments Advisory Group?

Trustee Appointments Advisory Group does not seem to be necessary after creation of the Monitoring group

The Trustees would welcome any additional comments related to the Monitoring Group proposal.

Additionally, the effective operational policy for the Monitoring group should be developed in detail.