



Accounting Standards Board

Aldwych House, 71-91 Aldwych, London WC2B 4HN

Telephone: 020 7492 2427 Fax: 020 7492 2399

www.frc.org.uk/asb



Thomas Seidenstein
Director of Operations
IASC Foundation
30 Cannon Street
London EC4M 6XH

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Dear Tom

Re: Draft due Process Handbook for the IFRIC

This letter sets out the ASB's comments on the above Handbook. The ASB supports the work of IFRIC and the majority of proposals and criteria as set out in the Handbook.

The ASB wishes to put forward a further suggestion for the Handbook, which is a proposal that details should be made publicly available of which issues have been submitted to the IFRIC for consideration, when they were submitted, and what stage each issue has reached in the IFRIC's processes. Details should also be given of what, if anything, is causing a delay in the process and when a final decision is expected to be taken. This would provide greater confidence and transparency (particularly in the IFRIC Agenda Committee process, which is non-public) and help to make sure that issues are dealt with in a suitable timeframe.

We feel that the Handbook makes clear the IFRIC process and criteria and should aid understanding of issues and promote greater communication on proposals for new issues to be dealt with by IFRIC.

Yours sincerely

Ian Mackintosh
Chairman, Accounting Standards Board

DDI: 020 7 492 2434

Email i.mackintosh@frc-asb.org.uk

RESPONSE TO SPECIFIC QUESTIONS IN:

IFRIC DRAFT DUE PROCESS HANDBOOK MAY 2006

QUESTION 1 – Agenda Committee

The Agenda Committee assists the IASB Staff in presenting issues to the IFRIC so that the IFRIC can decide whether to add an issue to its agenda (paragraph 23). The Agenda Committee is not a decision-making body and does not meet in public (paragraph 26). The Agenda Committee reports to the IFRIC at its regular meetings on the issues the Agenda Committee considered and the Agenda Committee's recommendation on each issue (paragraph 27)

Do you agree with the Agenda Committee process described in paragraphs 23-27? If not, what changes do you propose, and why?

We agree with the Agenda Committee process described in paragraphs 23-27. However, as noted in the covering letter, we believe that details should be given of what stage each issue has reached in the process.

QUESTION 2 – Agenda Criteria

The IFRIC assesses proposed agenda items against the criteria listed in paragraph 28. For inclusion in the agenda an issue does not have to satisfy all the criteria

Do you agree with the agenda criteria listed in paragraph 28? If not, please specify the criteria you would add, alter or delete, and explain why.

We agree with the agenda criteria listed in paragraph 28 and see no reason to add further criteria. In particular, we welcome criterion (c), which requires proof that financial reporting would be improved through the elimination of the diverse reporting methods.

QUESTION 3 – Consultation regarding issues not added to the IFRIC agenda

A consultative period applies to issues that are not added to the agenda. The draft reason for not adding an item to the agenda is published in IFRIC *Update* and electronically on the IASB Website with a comment period of 30 days

Do you agree with the consultative process for issues that are not added to the IFRIC agenda? If not, what changes do you propose, and why?

We agree with the consultative process for issues that are not added to the IFRIC agenda.

QUESTION 4 – Relationship with national standard-setters and interpretative groups

The IFRIC's relationship with national standard-setters (NSSs) and interpretative groups (NIGs) is described in paragraphs 54 and 55.

(a) Do you agree that NSSs and NIGs should be encouraged to refer interpretative issues to the IFRIC? If not, why not?

(b) Do you agree that the IFRIC should not consider local interpretations and comment on whether they are either consistent or inconsistent with IFRSs? If you disagree, please explain why.

(a) We agree that NSSs and NIGs should be encouraged to refer interpretative issues to the IFRIC and indeed we at the ASB will refer issues when we deem them appropriate.

(b) We agree that IFRIC should not consider local interpretations and comment on whether they are either consistent or inconsistent with IFRSs as this is not the best use of IFRIC's resources. However we believe occurrences of such purely local issues should be rare.