



11 December 2012

The Chairman
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IFRS Foundation
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Dear Sir

**Proposal to establish an
Accounting Standards Advisory Forum (ASAF)**

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness. We are pleased to offer comment on the proposal to establish an Accounting Standards Advisory Forum.

***Q1** Do you agree with the proposed commitments to be made by ASAF members (para 6.4) and that they should be formalised in a Memorandum of Understanding (para 6.5)? Why or why not?*

The G100 considers that the criteria/commitments of a participating standard-setter are appropriate. In particular, we believe that members:

- **must have the technical capacity and resources to enable the proposed ASAF to provide informed and balanced advice and views to the IASB on technical issues;**
- **while using their best efforts in adopting/endorsing IFRSs, must, in doing so, retain the ability to respond to national/domestic legal and regulatory requirements as the need arises.**

While it may be the fashion to set out such arrangements etc in a memorandum of understanding the G100 does not consider this to be essential to the formation and operation of the proposed body given the criteria/commitments in para 6.4. Accepting an invitation to membership of ASAF would imply undertaking those commitments.

***Q2** The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paras 6.7-6.13? Why or why not?*

The G100 considers that the membership of the ASAF should be limited to 12 – 14 members. However, it is not clear to us whether standard-setters with which the IASB has an MOU could also be members of the ASAF.

We believe that only those standard-setters or regional groups that have the technical capacity and resources to participate fully in the discussions and have the capacity to undertake research etc on behalf of the IASB should be invited to membership.

In this regard the G100 believes that the Australian Accounting Standards Board (AASB) would meet the criteria for membership. Australian organisations, including the AASB, have a long history of involvement in standard-setting internationally and support for the development of a high quality set of internationally accepted accounting standards.

Yours sincerely
Group of 100 Inc

A handwritten signature in black ink, appearing to read 'Terry Bowen', is written over a large, horizontal oval shape.

Terry Bowen
President

Cc Jeffrey Lucy (Trustee)
Charles Macek (IFRS Advisory Council)
Kevin Stevenson (AASB Chairman)