

17 December 2012

Yael Almog
Executive Director
IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir/Madam

Invitation to comment: Proposal to establish an Accounting Standards Advisory Forum (ASAF)

Thank you for the opportunity to comment on the above proposal. CPA Australia and the Institute of Chartered Accountants (the Institute) have considered the Invitation and our comments follow.

CPA Australia and the Institute represent over 200,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

CPA Australia and the Institute support the Trustees of the IFRS Foundation's recommendation for an ASAF that facilitates networking between the International Accounting Standards Board (IASB) and the national and regional accounting standard-setters.

We believe further progress towards the adoption of International Financial Reporting Standards (IFRS) on a global basis requires close cooperation of national and regional accounting standard setters. This is due to the key roles these standard-setters play in their jurisdictions and regions as influencers and ongoing contributors to the development of IFRS. We agree that in order to achieve acceptance of IFRS globally the IASB needs the support of these standard-setters. We believe this acceptance will be made easier if those standard-setters can look to a structure that gives national and regional accounting standard-setters a sense of partnership and co-ownership of IFRSs, through both playing an active role in their development and understanding the local/regional effects of any new Standard.

We agree that a formalised relationship between the IASB and the standard-setters is required and should be based on overriding principles including the commitment to the shared goal of a single set of globally accepted high-quality accounting standards. These principles should also include a commitment to independence of the IASB, transparency and openness.

With regard to the specific questions we agree with the proposed commitments to be made by ASAF members as set out in paragraph 6.4

1. supporting the IFRS Foundation's mission to develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards;
2. encouraging input from their jurisdiction/region to the technical activities of the IASB, in order to contribute to a single set of high quality, understandable, enforceable and globally accepted financial reporting standards;
3. supporting consistent application of IFRSs by jurisdiction and in the region;

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Australia

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4. making their best efforts to promote the endorsement/adoption of IFRSs in full and without modification over time (recognising that, at present, jurisdictions are at different stages in moving towards IFRSs and have adopted different mechanisms to achieve this);
5. in addition, any member would need to have the resources and capability to play a full role in the ASAF's technical work, including preparation for meetings and participation in substantive technical discussions. There is a wealth of experience and expertise within the community of NSS and regional bodies and the aim is to harness that to best effect and that they should be formalised in a Memorandum of Understanding (paragraph 6.5) for the reasons set out in the Invitation to comment.

We also agree that in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation and we agree with the proposed size and composition as set out in paragraphs 6.7–6.13 including the geographical balance as set out:

- Africa – 1 seat
- Americas – 3 seats
- Asia-Oceania – 3 seats
- Europe (including non-EU) – 3 seats
- World at large – 2 seats

If you have any questions regarding this submission, please do not hesitate to contact either Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au or Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au.

Yours sincerely



Alex Malley
Chief Executive Officer
CPA Australia Ltd



Lee White
Chief Executive Officer
Institute of Chartered Accountants in
Australia