



The Trustees  
IFRS Foundation  
30 Cannon Street  
London  
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United Kingdom

14 December 2012

Dear Sirs

**Proposal to Establish an Accounting Standards Advisory Forum**

We are grateful to have the opportunity to comment on the IFRS Foundation's proposal to establish an Accounting Standards Advisory Forum (ASAF).

We support the creation of an ASAF because it would strengthen the standard setting process by enhancing the formal engagement with the National Standard-Setters and other regional bodies. This would also help provide a better appreciation of the consequences of any changes to the standards.

In order for the ASAF to operate fully and effectively, standards should have a sufficiently long transition period. This will allow National Standard-Setters and other regional bodies to fully understand and communicate the implications of a standard.

We would like the proposed ASAF to focus on three areas which would significantly benefit preparers like us:

1. Ensuring that there is no difference in timing between European Union (EU) endorsement of standards and the effective date of the standard as announced by the IASB. For instance, if the EU does not endorse IFRS 9 before the end of 2014, preparers within the EU that are listed in the US will need to maintain two sets of accounting records. Given the substantial changes in IFRS 9, this would be needlessly complex and risky to implement.
2. Providing sufficient time after EU endorsement before the effective date of the standard so we can fully prepare our systems and staff.
3. Continuing the efforts to align US GAAP with IFRS to improve comparability in reporting.

Our answers to the specific questions you have raised are attached to this letter. If you wish to discuss any of these views, please contact me in writing.

Yours sincerely,

PB Balaji  
Group Chief Accountant

**Question 1:**

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

*Response*

We fully support the proposed commitments to be made by ASAF members and that they should be formalized in a Memorandum of Understanding.

We particularly encourage the commitment that best efforts are made to promote the endorsement and adoption of IFRSs in full and without modification over time. This improves comparability across peer groups. We would add, however that sufficient time needs to be given to allow endorsement and adoption to be completed.

**Question 2:**

**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 paragraphs 6.7–6.13? Why or why not?**

*Response*

We believe the proposals for size and composition as set out in paragraphs 6.7 - 6.13 are appropriate, but should be kept under review in the initial two year trial period of the ASAF.