



МИНИСТЕРСТВО ФИНАНСОВ РОССИЙСКОЙ ФЕДЕРАЦИИ

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21 July 2005 № _____

На № _____

Warren McGregor
IASB member
International Accounting Standards
Board
30 Cannon Street
London
EC4M 6XH

Dear Mr. McGregor

Draft Memorandum of Understanding on the Role of Accounting Standard-Setters and their relationships with IASB ("draft MoU")

We, as the Russian Federation national accounting standard-setter, are responding to your invitation to comment on the above draft MoU. This response is prepared based on the comments we collected from various domestic individuals, regulators and organizations interested in the development of accounting and financial reporting in Russia.

The intention of the IASB regarding cooperation with the national accounting standard-setters is expressed clearly in the IASC Foundation Constitution. The draft MoU is consistent with those intentions. We therefore support the draft MoU.

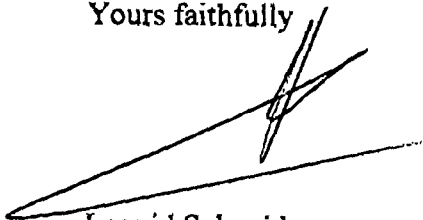
At the same time we suggest that in the course of preparation of a revised draft MoU to be presented at the meeting of world standard-setters in September 2005 the Board takes the opportunity to clarify the following issues:

- *(section 2 on Working with regulators)* role of IASB in working with major international governmental and non-governmental organizations (e.g. OECD, UNCTAD, IOSCO, Basil Committee, etc.) in relation of the support they can provide to international financial reporting convergence. This will help the accounting standard-setters to deal with domestic regulators,
- *(section 3 on Communication)* necessity to create and maintain an up-to-date database not only of IFRS technical issues but of the issues related to transition to IFRS. This will help the accounting standard-setters, in particularly the standard-setters in the jurisdictions that are in process of transition to IFRS, to deal with domestic regulatory barriers to adopting or converging with IFRSs,

- *(section 4 on Project role)* mechanisms ensuring the IASB independence in the model under which a 'project team' works under the direction of a national accounting standard-setter,
- *(section 6 on Application of standards)* responsibility of IASB in consistent approach to the translation of IFRSs into various languages (particularly languages in use by a group of countries). This will help to achieve the consistent application of the standards and comparability of the financial statements prepared based on IFRS,
- *(section 7 on Interpretation)* responsibility of a national standard-setter which issued its own interpretation (par 7.7 of draft MoU) to ensure that it makes those information available on a timely basis to IASB and other standard-setters,
- *(section 8 on Education)* role of IASB and other standard-setters in promoting of comparable high quality professional qualifications in IFRS. This will help to encourage the international and domestic regulators and professional institutes to work actively towards the mutual recognition of the professional qualifications.

If you have any questions in relation to this letter please do not hesitate to contact me (+7 095 298 9936).

Yours faithfully



Leonid Schneidman
Head of Department
The Ministry of Finance
Russian Federation