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Georges Ugeux
Chairman & CEO

Ms. Andrea Pryde
IASB
30 Cannon Street
London EC4M 6XH
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June 8, 2004

Dear Sirs,

I would like to comment on your document "Strengthening the IASB's deliberative processes" dated March 24, 2004.

This document clearly reflects the experience I had of the workings and processes of the International Accounting Standards Board. A number of recommendations of this document are most appropriate. The transparency of the deliberative process will undoubtedly benefit from the reforms suggested.

I would like to focus my comment on the use of steering committees, working groups and advisory groups. These two paragraphs (probably intentionally) remain vague and undefined. Since it is at the core of the debate of the working process of the IASB, I would like to make a few practical suggestions:

1. It is important to define the purpose of each of those initiatives: bundling them creates the impression that there is no really explicit definition of what they are supposed to do.
2. As a result of that, it is sometimes unclear when the IASB is putting together the stakeholders, the experts or a completely independent review process.
3. I would strongly recommend that when the IASB is organizing a committee of the end-users of its rules, it be clearly defined as a consultative process where the IASB listens to the preoccupations and worries of the users, but is not bound by their positions. Had something like this been put in place for IAS 39, we would not be where we are today. The appointment of the users as well as the terminology used to define them should therefore be very precise and transparent. They could be called "working parties"

4. While users want the IASB to listen to them, they are not the only voice: there is considerable expertise available in each of the fields where the IASB is defining rules. This should be a discretionary decision of the Board since all it intends is to bring specialists in this field (practitioners and academics). They could be called “steering committees”.
5. Last but not least, the IASB should have a specific type of committee to review the wider implications of the rules. Rules cannot just be left to the users and the experts. There are important long-term implications. The Board needs to hear senior and non-conflicted high integrity individuals who can draw its attention without being tainted by influences, interests or even the fiduciary responsibility. They could be called “advisory groups”.

A strict definition of the roles, a transparent selection process and the convergence of these points of view will put the IASB in a much stronger position when it issues its proposed rules and will clearly define the responsibilities where they belong. It is indeed important that these consultative structures do not reduce the responsibility and accountability of the instances of the IASB, who are the decision makers.

I hope that this possible clarification will be of help to what I consider as, and commend the IASB for, an important step towards increased transparency and professionalism.

Yours truly,





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On October 1, 2003, Georges Ugeux founded Galileo Global Advisors LLC to offer CEOs, Boards of Directors and Governments independent advice on international business development, restructuring, compliance and capital market issues.

Prior to founding Galileo, Georges Ugeux joined the New York Stock Exchange in September 1996 as Group Executive Vice President, International & Research. He built and managed the Exchange's International Group and, during his tenure, spearheaded the listing of 308 companies from 43 countries, out of the 470 non-US companies listed on the NYSE with an aggregate value of \$2.7 trillion. During that same period, the NYSE's international trading moved from 40 to 140 million shares a day. He was also in charge of the NYSE's relationships with foreign Stock Exchanges, Regulators and Governments.

Georges Ugeux, a 58-year old Belgian national, began his career in 1970 at Societe Generale de Banque (now Fortis Bank), the leading Belgian commercial bank, where he became General Manager of the investment banking and trust division. His career led him to London in 1985, as Managing Director of Morgan Stanley's Mergers and Acquisitions department. In 1988, he was appointed Group Finance Director at Societe Generale de Belgique, the leading Belgian diversified industrial and financial conglomerate. In 1992, he became president of Kidder, Peabody Europe as well as Managing Director while serving as a member of the Management Committee and the Board of Directors of Kidder, Peabody Inc. He was put in charge of the firm's global origination efforts. In addition, he was also a member of the European Corporate Executive Council of General Electric Inc.

From 1995 until joining the NYSE, Georges Ugeux served as President of the European Investment Fund, a Euro 2 billion public-private partnership created by the Heads of State and Government of the European Union at the Edinburgh Summit. He also chaired the Kingdom of Belgium's Privatization Commission, at the time of the Belgacom privatization.

Georges Ugeux holds a Doctorate in Law and is Licentiate in Economics from the Catholic University of Louvain. He has lectured at that University as well as at the College of Europe in Bruges. He also served as a Special Advisor of the Program on International Financial Systems of Harvard Law School.

He is Chairman of the Belgian American Chamber of Commerce and of the Catholic University of Louvain Foundation. He is a director of Caraco Pharmaceuticals Inc., the US generic drug subsidiary of the Indian group Sun Pharma as well as of the British American Business Inc.. He sits on the International Advisory Board of the Vlerick Leuven Gent Management School and Oxford Analytica.