

**Oyre Tamara**

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**From:** asb@icai.org [asb@icai.in]  
**Sent:** 23 September 2008 13:24  
**To:** constitutionreview  
**Subject:** Comments on the Discussion Document - Public Accountability and the Composition of the IASB: Proposals for change  
**Attachments:** Comments on DP on Review of the Constitution - public accountability and the composition of the IASB.doc

Ref: ASB/G/253

September 23, 2008

Ms. Tamara Oyre,  
Assistant Corporate Secretary,  
IASC Foundation

Dear Madam,

**Subject: Comments on the Discussion Document – Public Accountability and the Composition of the IASB: Proposals for change**

We are enclosing herewith the comments of the Accounting Standards Board of the Institute of Chartered Accountants of India on the Discussion Document – Public Accountability and the Composition of the IASB-Proposals for change, last date for submission of comments for which was September 20, 2008. We regret late submission of comments.

Hope these will be considered by the International Accounting Standards Committee (IASC) Foundation.

With kind regards,

Yours sincerely,

Dr. Avinash Chander  
Technical Director,  
Accounting Standards Board,  
The Institute of Chartered Accountants of India,  
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### **Questions related to the Monitoring Group**

**Q1: Do you support the creation of a link to a Monitoring Group in order to create a direct link of public accountability to official institutions?**

**A1: Yes**

**Q2: The proposals contemplate a Monitoring Group comprising representatives of seven public authorities and international organisations with a link to public authorities. While recognising that the Monitoring Group is an autonomous body, the Trustees would welcome comments regarding the Monitoring Group's membership and whether other organisations accountable to public authorities and with an interest in the functioning of capital and other financial markets should be considered for membership.**

**A2: Other organisations accountable to public authorities and with an interest in the Functioning of capital and other financial markets should be considered for membership. For instance, India has emerged as an economy that is looked favourably by foreign institutional investors and other investors. In India, Securities and Exchange Board of India (SEBI) has been established with a basic function as ".....to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto". Accordingly, SEBI can be considered as a member of the Monitoring Group.**

**Q3: The Trustees will remain the body primarily responsible for the governance of the organisation and the oversight of the IASB. Their responsibility to a Monitoring Group will enable regulatory and other authorities responsible for the adoption of IFRSs to review the Trustees' fulfilment of their constitutional duties. Does the formulation of the Monitoring Group's mandate and the Trustees' reporting responsibilities, as described in the proposed Section 19, appropriately provide that link, while maintaining the operational independence of the IASC Foundation and the IASB?**

**A3: Yes, reporting responsibilities, as described in the proposed Section 19, appropriately provide that link. However, wherever Trustees feel that an issue is likely to hamper their independent functioning, they may request the issue to be kept out of Monitoring Committee preview, with a proper justification for the same.**

**Q4: Given the proposed creation of a Monitoring Group, would there be a continued need for the Trustee Appointments Advisory Group\* in the selection of Trustees? If so, what should be the role and composition of the Trustees Appointments Advisory Group?**

- A4: The need for the Trustee Appointments Advisory Group would continue to exist. The Group will continue to enjoy similar role and can assist Monitoring Committee for appointment and reappointment as its members are supposed to have relevant expertise.

#### **Questions related to the IASB's composition**

**Q5: Do you support the principle behind expanding the IASB's membership to 16 members in order to ensure its diversity, its ability to consult, liaise and communicate properly across the world, and its legitimacy?**

- A5: Yes, developing countries like India would like to have representation on the board.

**Q6: Do you agree with the geographical formulation suggested by the Trustees?**

- A6: Yes, we do agree. However, within a geographical jurisdiction there should be a provision for rotation of membership.

**Q7: The Trustees are suggesting that the Constitution should provide flexibility on the matter of part-time membership. Do you support that proposal?**

- A7: Yes. Constitution should provide flexibility on the matter of part-time membership as it will help in pooling best talent.

**The Trustees would welcome additional comments on the proposals.**

We would like you to consider the representation from India. We satisfy all the criteria for board membership.

#### **Comments on specific paragraphs**

<b>Reference</b>	<b>Matter under Comment</b>	<b>Suggestion</b>
Para 5 point 2	Posts on its Website enhanced observer notes to enable interested parties to follow the IASB's deliberations.	Posting of minutes on website would ensure transparency. However, the period for which the minutes will be available needs to be specified.
Page 18-Para 36-Voting Majority	if there are fewer than 16 members, or by ten members if there are 16 members.	It can be formulated as "if there are fewer than 16 members, or by ten members if

		there are 16 members in person or by telecommunications”.
Page 14 Para 20	The Monitoring Group shall develop a charter that sets out its organisational, operating and decision-making procedures. The charter shall be made public.	The Charter (if possible) can be put forward for public discussion before its adoption.
General		Appointment of Chairman of Monitoring Group should be provided for.