

30 November 2009

Tamara Oyre
Assistant Corporate Secretary
IASC Foundation
30 Cannon Street
London, EC4M 6XH
United Kingdom

By email to: toyre@iasb.org

Dear Ms Oyre

IASCF Constitution Review Part 2: Proposals for Enhanced Public Accountability

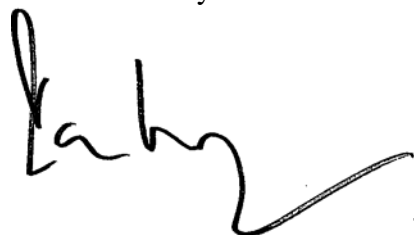
I am writing on behalf of AFME (the Association for Financial Markets in Europe) to respond to the IASB's 9 September Discussion Document: Part 2 of the Constitution Review – Proposals for Enhanced Public Accountability ("the DD"). AFME is, as you may know, the principal UK trade association for firms active in investment banking and securities trading; it was established on 1 November 2009 as a result of the merger of LIBA (the London Investment Banking Association) and the European Branch of SIFMA (the US-based Securities Industry and Financial Markets Association), and thus represents the shared interests of a broad range of global and European participants in the wholesale financial markets.

We support the constitutional changes proposed in the DD, which we find to be sensibly drafted and constructive, and we have no specific responses to the questions set out in the text. We would however like to make two comments which are related to the proposed changes:

- We believe that the changes proposed to section 2 of the Constitution should be taken slightly further by amending the wording of objective 2(d) to read "subject to objective 2(a) above, to work towards convergence of national accounting standards ...". This further small change would show clearly that the convergence objective is subordinate to objective 2(a) ("to develop a single set of high quality ... standards") and would, we hope, help to counter any suggestion that the IASB is sometimes too ready to sacrifice the quality of an IFRS in the name of progress towards convergence with US GAAP.
- Recognising the significant concerns that exist in some quarters over the governance and due process of the IASB, we consider it essential that the IASCF demonstrate its readiness to remain open to constructive suggestions for further improvements to its public accountability. We recommend, accordingly, that the IASCF should explicitly confirm its readiness to consider further changes and should, in particular, announce that a further formal review of the governance processes will be held within, at most, the next two to three years.

I hope these comments are helpful. We would of course be pleased to discuss any points which you may find unclear, or where you believe AFME members might be able to assist in other ways.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Harrison', with a long, sweeping horizontal stroke extending to the right.

Ian Harrison

Managing Director

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