



# Foreningen af Statsautoriserede Revisorer

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**CL 16**

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MoU

Dear Sirs

## **Draft Memorandum of Understanding**

The Danish Accounting Standards Committee is pleased to comment on the *Draft Memorandum of Understanding on the role of Accounting Standard-Setters and their Relationship with the IASB* ('the Draft' or 'the Draft Memorandum'). The draft was discussed at the June meeting of the Danish Accounting Standards Committee.

We are generally supportive of the Draft Memorandum and commend the IASB for taking this initiative to create a more close relationship with accounting standard-setters around the world. We believe such an initiative is essential for the IASB to be perceived as a truly international standard setting body, gaining input and drawing on resources from a variety of accounting standard-setters around the world.

The Draft is not specific in defining an "accounting standard-setter". Realising that the European Financial Reporting Advisory Group (EFRAG) is not an "accounting standard-setter" per se we would strongly support the recognition of EFRAG as a body with which it is important to liaise on a proactive basis given EFRAG's role in standard-setting within the European Union.

We are concerned by paragraph 3.20 which suggests that those who are engaged in non-technical debate would have a channel through which they could raise non-technical issues with the IASB. We believe that such issues would more logically be channelled through the IASCF or the SAC, while the IASB should focus on developing high quality, global accounting standards. And even so we question whether it is possible to distinguish between the technical and non-technical debate the way it seems to be suggested in 3.19 and 3.20.

We continue to support a structure in which the IFRIC remains the only body with the authority to issue Interpretations of IFRS. We can see merits for issuance of 'implementation guidance (not Interpretations)' if a topic is purely local. However, once an issue has a more widespread interest and arises in more than one jurisdiction, we believe the only body that should publish an interpretation on the issue is IFRIC, in order to avoid too many sources of interpretations.

The Draft discusses educational activities of the IASCF in Section 8. We believe that neither the IASB nor the IASCF should carry out any educational activities.

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If you have any questions to our comments above, please do not hesitate to contact us.

Yours sincerely

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