



Strategy Review Comments

On the

PAPER FOR PUBLIC CONSULTATION

STATUS OF TRUSTEES' STRATEGY REVIEW

5 November 2010 (revised on 26 November 2010 to reflect new deadline for comments)

Four strategic fronts and questions of concern of the Trustees of International Financial Reporting Standards(IFRS)-IASB

The Trustees have identified four areas for examination(mission,governance,process,and financing) as part of the strategy review:-

(A) Mission:

How should the organisation best define the public interest to which it is committed?

1. The current Constitution states, "These standards [IFRSs] should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the world's capital markets and other users of financial information make economic decisions." Should this objective be subject to revision?

Comments:

The basic Objectives of International Financial Reporting Standards(IFRS) are as follows:

"A Financial Reporting Standard for Reporting,Disclosing and Filing Financial Statements and Financial Informations by the Companies and other Entities to the Regulatory Bodies,Investors,Government,Shareholders,Stakeholders,Public at large, etc bringing in Financial Consistencies and Uniformities,Financial Transparency,Financial Materiality,Global Mergers & Acquisitions,Legal Compliances,Business Continuity-Going Concern,Financial Accountability,Financial Information Comparability,Financial Fair Value of Realisation of Asset,Financial Risk Accounting and Valuation for economic decisions in emerging economic and capital markets."

CA.RAKESH CHOUDHARY
CHARTERED ACCOUNTANT



2. The financial crisis has raised questions among policymakers and other stakeholders regarding the interaction between financial reporting standards and other public policy concerns, particularly financial stability requirements. To what extent can and should the two perspectives be reconciled?

Comments:

The basic Objectives of International Financial Reporting Standards(IFRS) in Financial Crisis regarding the interaction between financial reporting standards and other public policy concerns globally are as follows:

" International Financial Reporting Standards(IFRS) has to be adopted by Governments of respective countries and Government Financial Reporting Standards framed and adopted as a Public Policy to bring in Financial Stability,Good Capital Formation,Global Capital Issues,Global Mergers & Acquisitions,Financial Information Comparability,Stock Exchange Listing and Compliances,Issue of Global Sovereign Bonds,Monetary Policy with Liquidity in Countries,Financial Resource Planning,Financial Stability in Foreign Currency Assets,Financial Stability in Corporate Houses,Employments in Countries,Investors Decision Making which will help in overcoming Financial Crisis."

CA.RAKESH CHOUDHARY
CHARTERED ACCOUNTANT

(B) Governance:

How should the organisation best balance independence with accountability?

3. The current governance of the IFRS Foundation is organised into three major tiers: the Monitoring Board, IFRS Foundation Trustees, and the IASB (and IFRS Foundation Secretariat). Does this three-tier structure remain appropriate?

Comments:

"The basic governance Objectives of International Financial Reporting Standards(IFRS) Foundation should be structured in the following tiers'-

- *IFRS FOUNDATION*
- *IFRS BOARD OF TRUSTEES*
- *IFRS BOARD COMMITTEES*
- *IFRS BOARD GOVERNORS*
- *IFRS BOARD EXECUTIVE DIRECTORS*
- *IFRS BOARD INDEPENDENT DIRECTORS*
- *IFRS BOARD MEMBERS*
- *IFRS MEMBERS*
- *IFRS OVERSIGHT BOARD*
- *IFRS SECRETARIAT*



- *IFRS EDU*
- *IFRS COUNTRY MEMBERS*
- *IFRS COUNTRY HEADS*
- *IFRS ARBITRATION COUNCIL*
- *IFRS ADVANCE RULINGS COUNCIL*
- *IFRS AWARDS*
- *IFRS STANDARDS*
- *IFRS INTERPRETATION COUNCILS(Merging IFRIC and SIC)*
- *IFRS NOTIFICATIONS AND CIRCULARS COUNCIL*
- *IFRS ELECTIONS SECRETARIAT COUNCIL*
- *IFRS STANDARD SETTING COUNCIL*

4. Some stakeholders have raised concerns about the lack of formal political endorsement of the Monitoring Board arrangement and about continued insufficient public accountability associated with a private-sector Trustee body being the primary governance body. Are further steps required to bolster the legitimacy of the governance arrangements (including in the areas of representation of and linkages to public authorities?)

Comments:

"According to me the other Issues that the Trustees should consider and implement are as follows:

- a) International Law on International Financial Reporting Standards(IFRS) should be framed and recognized as a regulatory body under United Nations(UN)
- b) International Financial Reporting Standards(IFRS) should be made mandatory through Financial Reporting Treaties(FRT) with all the countries vide a resolution through United Nations and respective countries.
- c) International Financial Reporting Standards(IFRS) should be mandatory with all the Stock Exchanges and respective regulatory bodies in the world through agreements and courses.
- d) International Financial Reporting Standards(IFRS) should be introduced and made mandatory with Central Bankers of respective countries.
- e) International Financial Reporting Standards(IFRS) Reporting and Financial Disclosures and Compliances of Companies and Other Entities should be introduced and filed with respective regulatory bodies of countries and International Financial Reporting Standards Board (IFRS Board) "



© Process:

How should the organisation best ensure that its standards are high quality, meet the requirements of a well functioning capital market and are implemented consistently across the world?

5. Is the standard-setting process currently in place structured in such a way to ensure the quality of the standards and appropriate priorities for the IASB work programme?

Comments: "According to me International Financial Reporting Standards Board (IFRS Board) has to consider and implement as follows:

a) Financial Reporting Principles and Objectives:

-Financial Reporting and Continuity - Going Concern

- Financial Reporting Transparency

-Financial Reporting Disclosure

-Financial Reporting Accountability

-Financial Reporting Materiality

-Financial Reporting Consistency and Uniformity

-Financial Reporting Fair Value Realisation

-Financial Reporting Activity Based Costing & Accounting

-Financial Reporting Dual/Accrual Based Accounting

-Financial Reporting Period of Accounting

-Sectoral Financial Reporting

-Financial Reporting Monetary Measurement

-Financial Objective Reporting

-Financial Reporting Integrity

-Financial Reporting Assurances



- Financial Reporting of Value at Risk
- Financial Information Systems Reporting
- Financial Accounting Process Reporting
- Financial Accounting Impact Reporting
- Financial Governance Reporting
- Financial Responsibility Reporting
- Human Resource Accounting Statement Financial Reporting
- Inflation Accounting Financial Reporting
- Financial Reporting Documentation
- Financial Reporting-Internal Control
- Financial Reporting Recognition
- Financial Reporting Plans & Projections
- Financial Reporting - Valuation
- Financial Reporting Committees
- International Financial Reporting Standard Laws

"International Financial Reporting Standard(IFRS) has to consider Best Market Practice,International Laws,Developmental Objectives,Process,Systems,Procedures, Rules& Rulings,Tax Compliances,Best Valuation Norms,Financial Systems,Emerging Economic Markets,Financial Stability in framing and improvement of IFRS Standards."



6. Will the IASB need to pay greater attention to issues related to the consistent application and implementation issues as the standards are adopted and implemented on a global basis?

Comments:

"According to me IASB should move over to IFRSB(International Financial Reporting Standards Board) and frame IFR Standards and bring in Annual Improvements considering the International Laws, International Best Market Practices, Industrial Standards and laws, Global Stock Exchange Listing Norms, Country wise Government Laws, Global Mergers & Acquisition Practices and legal Compliances, Investor Protection, Corporate Governance Codes and Standards, Stakeholders Expectations etc."

(D) Financing:

How should the organisation best ensure forms of financing that permit it to operate effectively and efficiently?

7. Is there a way, possibly as part of a governance reform, to ensure more automaticity of financing?

Comments:

(a) International Financial Reporting Standards Board (IFRS Board) should be financed and budgeted by *United Nations (UN)*, *Contributions* can be fixed by respective countries.

(b) International Financial Reporting Standards Board (IFRS Board) should implement the following:

- Budget Report
- Budget Justification Report
- Budget Investigation Report
- Budget Accounting
- Budget Audit
- Budget Outcome
- Final Budget Report

© International Financial Reporting Standards Board (IFRS Board) should introduce the following for Budgetary Financial Resources:

- Membership
- Books
- Periodicals
- E-Books
- E-Download
- Journals



CA.RAKESH CHOUDHARY
RAKESH CHOUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

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- Courses- Post Graduate Courses and Doctorate Courses
- Benevolent Fund
- Sponsors
- Sponsored Awards
- Sponsored Scholarships

(E) Other issues

8. Are there any other issues that the Trustees should consider?

Trustees of IFRS Foundation should consider the following :

- IFRS Foundation
- IFRS Trustees
- IFRS Board
- IFRS Members
- IFRS Board of Executive Directors and Independent Directors
- IFRS Constitution
- IFRS Act, Rules, Procedures, Process, Systems, Rulings and Forms
- IFRS Governance and Financial Accountability
- IFRS Charters
- International Financial Reporting Standard Codes (IFRS Code)
- IFRS Interpretation Guidelines
- IFRS Budget Report
- IFRS Notifications
- IFRS Circulars
- IFRS Advance Rulings
- IFRS Forms and Schedules
- IFRS Financial Reporting Treaties(FRT's)

FROM:

CA.RAKESH CHOUDHARY

MEMBERSHIP NO. 045405

FIRM REGISTRATION NO. 500158N

MOBILE NO. 919868500351

E.Mail: rakeshchoudhary1@indiatimes.com

Address: STC-1, 804, Sun Tower, Shipra Sun City, Indrapuram, Ghaziabad-201014, U.P., India.
Ph: 91-120- 4568054 M : 919868500351.
Email : rakeshchoudhary1@indiatimes.com