

International Accounting Standards Board
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Our ref. : EvS
Direct dialnr.: Tel.: (+31)20-301 0391 / Fax: (+31)20-301 0279
Date : 1 July 2004
Re : Discussion Paper : "Strengthening the IASB's deliberative processes"

Dear Sirs,

The Netherlands Council for Annual Reporting (CAR) is pleased to respond to your request for comments on the Discussion Paper of 24 March 2004: "Strengthening the IASB's deliberative processes".

The CAR generally welcomes the proposed improvements to the deliberative process in the areas of:

1. The accessibility and transparency of the IASB's deliberative process;
2. The IASB's responsiveness to constituents' comments;
3. The extent of consultation before releasing proposals and standards.

In addition to those improvements the CAR wishes to draw attention to some additional comments:

A. *The IASB's responsiveness to constituents' comments:*

The Board will in the future post on its website a summary of the Board's position on the major points raised in the letters. The CAR recommends posting not only a summary of the Board's position on the major points but also posting an analysis of the importance of each point of comment. It would also be very useful to clarify the importance that is assigned to each individual comment. More weight should be placed on comments that involve a larger representation.

The CAR does not see the use of making available near-final drafts of forthcoming exposure draft and standards before the Board approves them for publication. In that particular stage of the process commentators do not have influence anymore. Publication of near-final drafts could only cause commotion and insecurity of regulation.

The CAR recommends that the IASB should avoid the cases where standards just issued are revised by proposed amendments shortly after (e.g. IFRS 3 Business Combinations).

The CAR is concerned about the fact that IFRIC via interpretations has the power to introduce changes to existing standards. IFRIC interpretations have a shorter comment period and we believe that it is not compatible with a proper due process to propose changes to standards without sufficient time for exposure.

B. The extent of consultation before releasing proposals and standards:

The CAR welcomes the positive initiative of the IASB to make regular use of advisory groups, field-testing and discussion papers. However the CAR believes advisory groups, field-testing and discussion papers should become a common feature.

The CAR recommends a careful due process instead of quick settlement of new standards. A careful due process should prevent the cases where standards just issued are revised by proposed amendments shortly after (e.g, IFRS 3 Business Combinations, IFRS 4 Insurance Contracts).

Yours sincerely,

Prof. dr. Martin Hoogendoorn RA
(Chairman CAR)