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IFRS<sup>®</sup> Foundation  
Feedback Statement

# Amending the Terms of Appointment for the IFRS Foundation Trustee Chair and Vice-Chairs



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## CONTENTS

	<i>from page</i>
Introduction	3
Background	3
Comments received on the Exposure Draft and Trustees' responses	4
Effective date of changes to the <i>Constitution</i>	10
Appendix I—List of comment letters received in the order of receipt	11
Appendix II—Respondents by geographical region	12
Appendix III—Respondents by entity type	13
Appendix IV—Final proposed changes to Section 10 of the IFRS Foundation's <i>Constitution</i>	14

## AMENDING THE TERMS OF APPOINTMENT FOR THE IFRS FOUNDATION TRUSTEE CHAIR AND VICE-CHAIRS

### Introduction

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- 1 This document is the Trustees' agreed Feedback Statement, which summarises the comments received by the Trustees of the IFRS Foundation (Foundation) in response to its June 2018 Exposure Draft *Amending the Terms of Appointment for the IFRS Foundation Trustee Chair and Vice-Chairs* (Exposure Draft). This Feedback Statement also sets out the Trustees' final decisions, having considered the comments received.
- 2 This Feedback Statement was approved by the Trustees at their meeting in October 2018 and should be read in conjunction with the June 2018 Exposure Draft, which explained in detail the reasons for making the proposed changes to the Foundation's *Constitution*.

### Background

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- 3 In February 2018 the Trustees agreed to consult stakeholders about a proposal to amend the IFRS Foundation's *Constitution* with immediate effect. The proposed amendments would extend the term for which the Trustee Chair and Vice-Chairs may be appointed; allow for the appointment of an externally recruited Chair; and clarify the position on the reappointment of Trustees. In June 2018 the Trustees approved the final Exposure Draft, which was published for a 90-day comment period that closed on 17 September 2018. The Trustees agreed that the matter did not warrant a 120-day consultation given the limited scope of the proposed constitutional changes.
- 4 The Foundation received 12 responses to the Exposure Draft. All the comment letters are available on the Foundation's website.<sup>1</sup>
- 5 This Feedback Statement is based on the original proposals outlined in the Exposure Draft. They are presented here in the order of their appearance in that document, with the exception that this Feedback Statement does not separately discuss the proposal to differentiate between an internally appointed and an externally recruited Chair. Consideration of that proposal is included in the discussion on the proposal to extend the maximum length of service of the Trustee Chair and Vice-Chairs, since the two proposals are so closely aligned. The discussion on each proposal includes:
  - (a) an introduction.
  - (b) a review of the feedback.
  - (c) the Trustees' responses to and final decisions on the feedback.
  - (d) where applicable, a table setting out the current wording of the relevant section and the proposed changed wording of the *Constitution*. Deleted text is struck through and substantive new text is underlined.

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<sup>1</sup> All the comment letters in response to the Exposure Draft are available on the Foundation's website at: <https://www.ifrs.org/projects/work-plan/amendments-to-the-term-of-the-trustees-chair/comment-letters-projects/exposure-draft/#comment-letters>.

- 6 Four appendices provide further information:
- (a) Appendix I—lists the respondents who replied to the Exposure Draft, in the order in which their responses were received.
  - (b) Appendix II—provides a statistical summary of the comment letters by geographical region.
  - (c) Appendix III—provides a statistical summary of the comment letters by entity type.
  - (d) Appendix IV—includes the proposed changes to the Foundation’s *Constitution* in tabular form, including the original wording, a marked-up version of the wording and clean text of the proposed final wording.
- 7 The Trustees agreed that by way of this Feedback Statement, the *Constitution* would be amended and published on the Foundation’s website at [www.ifrs.org](http://www.ifrs.org), effective from 1 December 2018.

## Comments received on the Exposure Draft and Trustees’ responses

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### Proposals 1 and 2

#### **Extending the maximum length of service of the Trustee Chair and Vice-Chairs, and differentiating between a Chair appointed internally and one recruited externally—proposed amendments to Section 10 of the *Constitution***

- 8 The Exposure Draft noted that the imminent appointment of a new Chair of the Trustees provided an opportunity to consider whether to extend the Trustee Chair’s maximum term of appointment.
- 9 The Trustees also noted that the current wording of Section 10 of the *Constitution* did not allow for the recruitment of an externally appointed Chair and was therefore not reflective of current practice.<sup>2</sup> The Trustees concluded that it would be advisable to amend the *Constitution* to allow the Trustee Chair to be appointed either from among the Trustees, or by way of external recruitment. Introducing such an amendment would provide a level of flexibility appropriate for an international organisation seeking to appoint the best possible candidate based on merit, without regard to geographical limitations or whether that individual was currently serving as a Trustee.
- 10 The Trustees therefore proposed to amend Section 10 of the *Constitution* to differentiate between an externally recruited Chair and a Chair who was appointed from among the Trustees. The proposed amended section would provide that in all instances the appointed Chair would be entitled to serve the same maximum term. The proposal ensured that neither an externally recruited Chair nor an internally appointed Chair would be disadvantaged by the distinction, by providing that:
- (a) a Chair appointed from among the Trustees, and who may have served a prior term, would be eligible to serve up to three three-year terms from the date of his or her appointment as Chair, subject to the maximum consecutive term of nine years, taking into account all prior service as either Trustee or Vice-Chair; and
  - (b) an externally recruited Chair could serve three three-year terms from the date of his or her appointment as Chair, up to a maximum of nine years.

<sup>2</sup> Section 10 of the *Constitution* provides that the ‘Chair of the Trustees, and up to two Vice-Chairs, shall be appointed by the Trustees from among their own number’ [emphasis added]. Neither the present Chair of the Trustees nor his predecessor was appointed from among the Trustees—both were recruited externally through a public process. The current Vice-Chairs, however, were appointed from the body of Trustees.

- 11 The proposed changes clarified that Vice-Chairs' terms should also be extended to mirror that of a Chair appointed from among the Trustees, as noted at paragraph 10(a) above. However, after the proposed changes, Vice-Chairs would continue to be appointed only from among the Trustees. Such an arrangement provides necessary continuity, experience and support to the Chair, and also reflects current practice.
- 12 In making the proposals, the Trustees sought to balance the need for valuable experience and continuity in leadership with principles of good corporate governance.
- 13 The Trustees also sought to allow for an appropriate level of geographical representation and rotation, to reflect the fact that over 140 jurisdictions require the use of IFRS Standards. In the view of the Trustees, the proposed changes would preserve the geographical diversity and balance of the Trustee body, since there was no recommendation to extend the Trustee Chair's term beyond the maximum term currently specified in the Foundation's *Constitution*. The Trustees also noted that the Chair and the two Vice-Chairs are usually drawn from different global regions to further ensure the geographical balance of the Trustee body.

### **Analysis of comments received**

#### *Majority support for the Trustee proposals*

- 14 The Foundation received 12 comment letters from various stakeholders. All the respondents, except Deloitte Touche Tohmatsu Limited, supported the Trustee proposals for amending Section 10 of the *Constitution*, outlined at paragraphs 10 and 11.
- 15 The respondents that supported the proposals did so for the following reasons:
- (a) stability and flexibility—most of the respondents supported the Trustee proposals because they agreed that the proposals would help safeguard the IFRS Foundation's stability by ensuring a degree of continuity of leadership, while maintaining appropriate levels of diversity and independence among the Trustees.<sup>3</sup>
  - (b) alignment with the Chair of the Board's term—the Korea Accounting Standards Board supported the Trustee proposals because the proposals aligned more closely with the term of the Chair of the Board, which is 10 years.
  - (c) consistency with good corporate governance—the UK Financial Reporting Council and the South African Institute of Chartered Accountants supported the Trustee proposals on the grounds that the proposals are consistent with principles of good corporate governance.

#### *Proposed amendments to the drafting*

- 16 Several respondents that supported the Trustee proposals recommended drafting amendments to ensure greater clarity and certainty. The proposed amendments were as follows:
- (a) the Korea Accounting Standards Board suggested that an internally recruited Chair should not be eligible to be appointed for up to three three-year terms as proposed in the Exposure Draft because, if this were allowed, a Chair could be appointed for more than the requisite nine-year maximum term of service. This respondent said the same point applied to the Vice-Chair provision set out in draft Section 10(b).

<sup>3</sup> The respondents that supported the proposals were: the Malaysian Accounting Standards Board (MASB); the International Organization of Securities Commissions (IOSCO); the Group of Latin American Standard Setters (GLASS); the Financial Reporting Standards Council of South Africa (FRSC), based on the input of its Financial Reporting Technical Committee (FRTC); the Accounting Standards Council of Singapore (ASC); the South African Institute of Chartered Accountants (SAICA); the Consejo Mexicano de Normas de Información Financiera (CINIF); Ernst & Young Global Limited (EY); and the Organismo Italiano di Contabilità (OIC).

- (b) the view of the Financial Reporting Standards Council of South Africa, based on the input of its Financial Reporting Technical Committee, was that the words ‘regardless of prior service as a Trustee’ and ‘but may not exceed nine years in total length of service as a Trustee’ in draft Section 10(a) contradicted each other. The respondent recommended removing the contradiction to ensure that both an internally appointed Chair and an externally recruited Chair could serve three three-year terms in office, up to a maximum term of nine years in total length of service.
- 17 Two respondents were concerned about how the proposed changes to Section 8 (regarding Trustee reappointment—see paragraph 31 onwards) would affect the interpretation of the proposed amended Section 10. They recommended amendments to ensure greater clarity and certainty. Ernst & Young Global Limited and the South African Institute of Chartered Accountants both said that, given the proposed amendments to Section 8, it would be useful to ‘clarify whether the years served in the past count towards the maximum term of nine years’. They also sought clarification about the meaning of ‘total length of service’ in Section 10(a) and whether it refers to ‘any consecutive terms of three years, or ... to an accumulation of life-time service’. Both these respondents suggested that the current drafting is unclear as to whether a previous term served by a Trustee counts towards the term of any subsequent reappointment, and whether it should be subject to the maximum length of service of nine years, or whether, upon stepping down from service as a Trustee, the clock is reset such that the subsequent reappointment of that individual to the Trustee body potentially allows him or her to serve a total period as Trustee that may exceed the nine years.

#### *Single objection*

- 18 As noted at paragraph 14, only Deloitte Touche Tohmatsu Limited disagreed with the Trustee proposals because the proposals would, in that respondent’s view, ‘over-engineer the Constitution and (by doing so) probably limit rather than help the Trustees and Monitoring Board when making appointments’. This respondent also said the distinction between an externally recruited Chair and one appointed from among the Trustees is ‘artificial in practice and adds unnecessary (and unhelpful) detail to the Constitution’ since the appointment of the Chair is concurrent with his or her appointment as Trustee.
- 19 Deloitte Touche Tohmatsu Limited further suggested that the *Constitution* should not limit the Trustees’ ability to recruit externally for Vice-Chairs, if deemed necessary; and, where continuity is required, all Trustees, regardless of role, should be permitted to serve a third term of up to three years, subject to a maximum term of nine years.
- 20 Deloitte Touche Tohmatsu Limited also invited the Trustees to consider clarifying the maximum terms of members of the IFRS Interpretations Committee and the IFRS Advisory Council.<sup>4</sup>

#### *Trustee responses*

- 21 The Trustees considered the feedback and concluded that no issues were raised that would require substantive changes to the proposed amendments to Section 10 of the *Constitution*. There was support for the proposal to differentiate between an externally recruited Chair and an internally appointed Chair; and, in both instances, to extend to a maximum total term of nine years in service the duration for which a Trustee Chair and the Vice-Chairs may be appointed.

<sup>4</sup> Deloitte Touche Tohmatsu Limited (London) suggested that members of the IFRS Interpretations Committee should be limited to a term of six years, and that members of the IFRS Advisory Council should be appointed for a term of three years, renewable once. Furthermore, where necessary, members of both bodies could, in the respondent’s view, be appointed for a further term of three years, up to a maximum of nine years in total length of service.

- 22 The Trustees considered the one dissenting view but concluded that the proposed changes were designed to align the *Constitution* with current practice by introducing an appropriate level of flexibility for an international organisation. The changes would support the IFRS Foundation’s efforts to appoint the best available candidate to chair the Trustees.
- 23 The Trustees concluded that by extending the Chair’s term to a maximum of nine years, with three-year intervals for review and reappointment, the Foundation would benefit from continuity and experience, while respecting the need to comply with principles of good corporate governance. The Trustees also agreed that the proposed changes would have no adverse effect on geographical diversity and rotation.
- 24 The Trustees did not support the proposal to allow any Trustee, regardless of role, to serve a maximum term of nine years should the need arise, since this would result in ambiguity and uncertainty and would be contrary to good corporate governance. It might also risk the perception of favouritism or inequality.
- 25 The Trustees agreed that the appointment of the Chair was concurrent with his or her appointment as a Trustee, but took the view that an externally recruited Chair is appointed to fill the position of Chair, over and above any general function as a Trustee. To distinguish the role of a Chair as such from his or her function as a Trustee would be artificial and risked the perception that it was an ‘over-engineering’ of the appointment process.
- 26 The Trustees noted the concern about limiting the selection of Vice-Chairs to members of the group of Trustees, but concluded that this was both in keeping with current practice and appropriate, given the supporting role played by the Vice-Chairs. The Trustees concluded that continuity and stability at the Vice-Chair level would enable critical support for an externally appointed Chair which far outweighed any benefits that might be gained from greater flexibility.
- 27 The Trustees noted the suggestion to clarify whether members of the IFRS Interpretations Committee and the IFRS Advisory Council should be eligible for reappointment and agreed that this should be considered during the next review of the Foundation’s structure and effectiveness in or about December 2021.
- 28 The Trustees noted the suggested drafting changes and agreed that it would be appropriate to remove any apparent contradictions which might result in misinterpretation of the *Constitution*. They also agreed to add appropriate wording to clarify that the words ‘total length of service’ in Section 10 relate to an individual’s total term of consecutive years in office, whether in the capacity of Trustee, Vice-Chair and/or Chair. The proposed drafting changes are set out at paragraph 30.
- 29 The Trustees agreed that the current proposed drafting in Section 10(a) is accurate, and necessary to allow for a Trustee Chair appointed from among the Trustees to be appointed for a first term of three years, and thereafter to be eligible for two further three-year terms of appointment, up to a maximum of nine years in total length of service. This section is drafted in this manner to build in necessary flexibility to account for any number of previous terms in office, whether in the capacity of Trustee and/or Vice-Chair. However, in all instances, should an individual stand for reappointment when he or she is not eligible to serve a full three-year term, that reappointment would always be limited to the maximum total term permitted, namely nine years of service.



30 The Trustees therefore recommend that Section 10 of the Foundation’s *Constitution* be amended as follows:

<b>Current Constitution—Section 10</b>	<b>Proposed amended Constitution—Section 10</b>
<p>10 The Chair of the Trustees, and up to two Vice-Chairs, shall be appointed by the Trustees from among their own number, subject to the approval of the Monitoring Board. The role of a Vice-Chair(s) shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, and regardless of prior service as a Trustee, the appointee may serve as the Chair or a Vice-Chair for a term of three years, renewable once, from the date of appointment as Chair or Vice-Chair, but may not exceed nine years in total length of service as a Trustee. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.</p>	<p>10 The Chair <u>and up to two Vice-Chairs</u> of the Trustees, <del>and up to two Vice-Chairs</del>, shall be appointed by the Trustees <del>from among their own number</del>, subject to the approval of the Monitoring Board.:</p> <p>(a) <del>The Chair of the Trustees, and up to two Vice-Chairs, shall may be appointed by the Trustees from among the Trustees their own number, subject to the approval of the Monitoring Board or recruited externally. The role of a Vice-Chair(s) shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, and regardless of prior service as a Trustee, a Chair that is appointed from among the Trustees the appointee may serve as the Chair or a Vice-Chair for a term of three years, renewable once twice, from the date of appointment as Chair or Vice-Chair, but may not exceed nine consecutive years in total length of service, whether in the capacity of as a Trustee, Vice-Chair and/or Chair. If the Chair is appointed through an external recruitment process, he or she may serve as Chair for a term of three years, renewable twice, up to a maximum of nine consecutive years in total length of service as Chair. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.</del></p> <p>(b) <u>Vice-Chairs shall only be appointed from among the Trustees. Their</u> <del>The role of a Vice-Chair(s) shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, and regardless of prior service as a Trustee, a Vice-Chair the appointee may serve as the Chair or a Vice-Chair for a term of three years, renewable once twice, from the date of appointment as Chair or Vice-Chair, but may not exceed nine consecutive years in total length of service as a Trustee. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.</del></p>

## Proposal 3

### Clarifying amendment to Section 8 of the *Constitution*—repeat Trustee appointments

31 The Exposure Draft noted that, at present, Section 8 of the *Constitution* is silent on whether a Trustee may stand for reappointment after having completed a full term of office.<sup>5</sup> The Exposure Draft went on to note that while no former Trustee has applied for reappointment after having stepped down from office, it would be advisable for the *Constitution* to provide expressly for reasonable rotation and an appropriate break between appointments, should the matter ever arise. A six-year break was recommended, limited to only one further reappointment, up to a maximum of six years.

### Analysis of comments received

32 All but one of the respondents supported the proposal to allow for the reappointment of a Trustee who has completed a full term in office after a six-year break. However, a number of respondents expressed reservations about such a change.

33 The proposal also gave rise to some misunderstanding, particularly when read in conjunction with the proposed amendments to Section 10. Consequently, several respondents suggested further clarification and drafting amendments to both Sections 8 and 10, in order that the scope of the proposed amendment to Section 8 be more easily understood.

34 Only Deloitte Touche Tohmatsu Limited rejected the entire proposal, commenting that it was important to ensure fresh experiences and views on the Trustee body and other key Foundation advisory bodies and to ensure that all members are able to keep abreast of the ‘constantly changing corporate reporting environment’.

35 The following reservations were noted:

- (a) need—Organismo Italiano di Contabilità questioned whether the amendment was needed given that no former Trustee had ever stood for reappointment.<sup>6</sup>
- (b) urgency—the Korea Accounting Standards Board questioned the need to consider the proposed amendment to Section 8 at this juncture, given that it was not urgent. This respondent took the view that it would be better to defer the review of Section 8 until the Foundation undertakes a more comprehensive review of the *Constitution*.
- (c) consistency—the Korea Accounting Standards Board noted that any proposal concerning the reappointment of a Trustee should also be applied to the reappointment of a Board member, members of the IFRS Interpretations Committee and other advisory bodies, to maintain consistency within the *Constitution*.
- (d) length of lapse—both the Consejo Mexicano de Normas de Información Financiera and the Korea Accounting Standards Board suggested a lapse of three years would be sufficient.<sup>7</sup> The Korea Accounting Standards Board noted the following:

Normally, Trustees would begin their term after having served in their professional areas for a long period of time. This implies that age could be one of the considerations for the reappointment of a Trustee. In this sense, it might be reasonable to reduce the lapse of time for reappointment to three years, which we believe would increase the possibility of a Trustee applying for reappointment.

<sup>5</sup> Up to a maximum of six years or nine years in service, as the case may be.

<sup>6</sup> Organismo Italiano di Contabilità (OIC) is the Italian standard-setter.

<sup>7</sup> Consejo Mexicano de Normas de Información Financiera (CINIF) is the Mexican accounting standard-setter.

*Drafting suggestions*

36 As noted at paragraphs 17 and 33, the proposed change to Section 8 gave rise to some confusion and stakeholders recommended changes that would ensure greater clarity. The following amendments were proposed:

- (a) extension of maximum term—the International Organization of Securities Commissions questioned whether the proposed amended Section 8, if read in conjunction with the proposed amended Section 10, could result in an ordinary Trustee serving a maximum of 12 years (two three-year terms on first appointment as Trustee and then, after a lapse of six years, a further two three-year terms, thus totalling 12 years). If so, this would be contrary to the maximum nine-year term specified in Section 10. This respondent recommended changing the proposed amendments to Section 8 to limit the term after the six-year lapse to a single term of three years, with no renewal if the Trustee had previously served a six-year term prior to the six-year lapse.
- (b) limiting reappointments to Trustees—the Accounting Standards Council of Singapore said the proposed amendment to Section 8 appeared to be limited only to the reappointment of ordinary Trustees, not Chairs or Vice-Chairs, yet the term was used interchangeably in Section 10 and throughout the *Constitution* for both ordinary Trustees as well as for Chairs and Vice-Chairs. This respondent invited the Trustees to clarify that the proposed amendments to Trustee reappointments, as set out in Section 8 of the *Constitution*, would apply only to reappointments of ordinary members of the Trustee body, throughout both the initial and subsequent terms. This respondent also noted that this ambiguity:

... may cause confusion as to how Section 8 should interact with Section 10 and whether a previous Chair or Vice Chair could be reappointed to serve as a member of the Trustee body under Section 8 or whether an ordinary member of the Trustee body could be reappointed under Section 8 to subsequently serve as Chair or Vice Chair under Section 10.

*Trustee responses*

- 37 The Trustees noted the mixed feedback and the confusion caused by the proposed amendment to Section 8, and agreed that there was no immediate need or justification for the proposed change.
- 38 The Trustees decided that it would be in keeping with good corporate governance to ensure that serving Trustees and Board members have recent experience of and up-to-date and relevant information about the corporate reporting environment.
- 39 The Trustees concluded that the current provisions of the *Constitution* were sufficient and that there was no need for amendment.

**Effective date of changes to the *Constitution***

- 40 The Trustees agreed that the changes to Section 10, as noted in this Feedback Statement, and an updated version of the *Constitution* would be published on the IFRS Foundation's website. The revised *Constitution* would be effective from 1 December 2018.

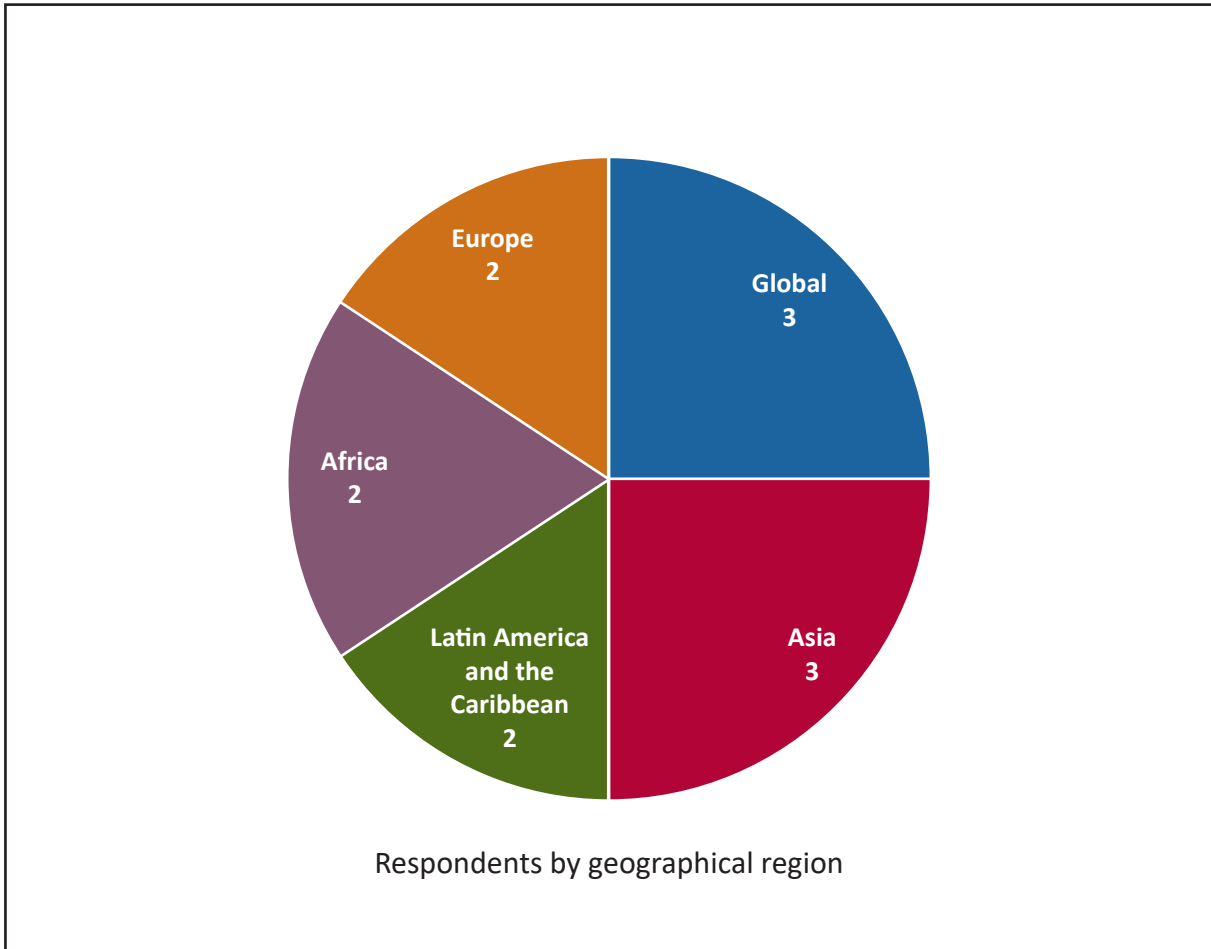
## APPENDIX I

### List of comment letters received in the order of receipt

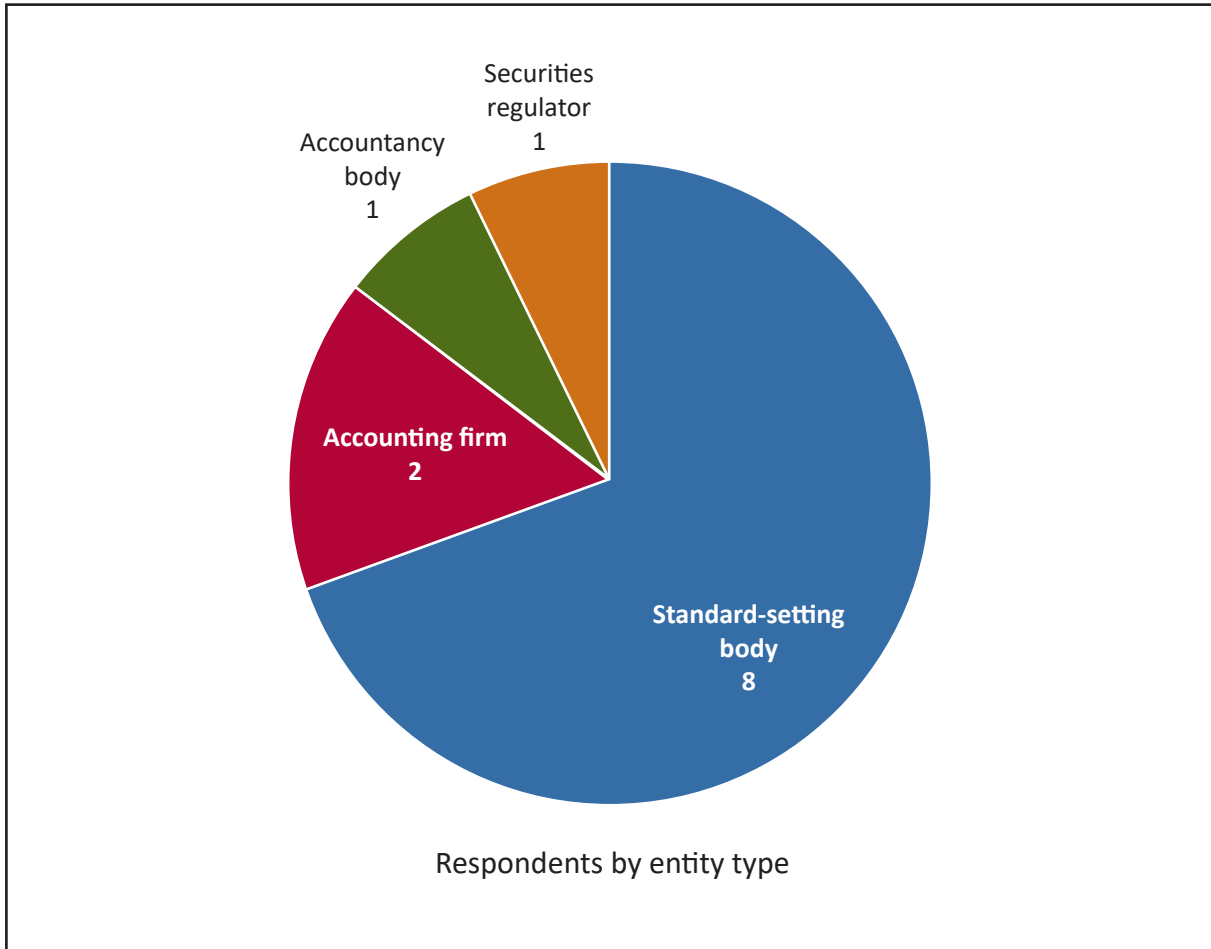
Number	Name of entity	Type of entity	Geographical region
1	Malaysian Account Standards Board (MASB)	Standard-setting body	Asia
2	Korea Accounting Standards Board (KASB)	Standard-setting body	Asia
3	Deloitte Touche Tohmatsu Limited, London	Accounting firm	Global
4	International Organization of Securities Commissions (IOSCO)	Securities regulator	Global
5	UK Financial Reporting Council (FRC)	Standard-setting body	Europe
6	Group of Latin American Standard Setters (GLASS)	Standard-setting body	Latin America
7	The Financial Reporting Standards Council of South Africa (FRSC), based on the input of its Financial Reporting Technical Committee (FRTC)	Standard-setting body	Africa
8	The Accounting Standards Council of Singapore (ASC)	Standard-setting body	Asia
9	The South African Institute of Chartered Accountants (SAICA)	Accountancy body	Africa
10	Consejo Mexicano de Normas de Información Financiera (CINIF)—the Mexican accounting standard-setter	Standard-setting body	Latin America
11	Ernst & Young Global Limited (EY)	Accounting firm	Global
12	Organismo Italiano di Contabilità (OIC)—the Italian standard-setter	Standard-setting body	Europe

## APPENDIX II

### Respondents by geographical region



### APPENDIX III Respondents by entity type



**APPENDIX IV**

**Final proposed changes to Section 10 of the IFRS Foundation’s Constitution**

Current wording of the Foundation’s Constitution	Final proposed mark-up of the Foundation’s Constitution	Final clean version of the wording of the Foundation’s Constitution
<p>10 The Chair of the Trustees, and up to two Vice-Chairs, shall be appointed by the Trustees from among their own number, subject to the approval of the Monitoring Board. The role of a Vice-Chair(s) shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, and regardless of prior service as a Trustee, the appointee may serve as the Chair or a Vice-Chair for a term of three years, renewable once, from the date of appointment as Chair or Vice-Chair, but may not exceed nine years in total length of service as a Trustee. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.</p>	<p>10 The Chair <u>and up to two Vice-Chairs</u> of the Trustees, <del>and up to two Vice-Chairs;</del> shall be appointed by the Trustees <del>from among their own number,</del> subject to the approval of the Monitoring Board.:</p> <p>(a) The Chair <del>of the Trustees, and up to two Vice-Chairs, shall may</del> be appointed <u>by the Trustees from among the Trustees their own number, subject to the approval of the Monitoring Board or recruited externally.</u> <del>The role of a Vice-Chair(s) shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts.</del> With the agreement of the Trustees, and regardless of prior service as a Trustee, <u>a Chair that is appointed from among the Trustees the appointee may serve as the Chair or a Vice-Chair for a term of three years, renewable once twice, from the date of appointment as Chair or Vice-Chair, but may not exceed nine consecutive years in total length of service, whether in the capacity of as a Trustee, Vice-Chair and/or Chair. If the Chair is appointed through an external recruitment process, he or she may serve as Chair for a term of three years, renewable twice, up to a maximum of nine consecutive years in total length of service as Chair.</u> The appointment of a Chair <del>and Vice-Chair(s)</del> should be made with regard to maintaining a geographical balance.</p>	<p>10 The Chair and up to two Vice-Chairs of the Trustees shall be appointed by the Trustees, subject to the approval of the Monitoring Board:</p> <p>(a) The Chair may be appointed from among the Trustees or recruited externally. With the agreement of the Trustees, a Chair that is appointed from among the Trustees may serve as Chair for a term of three years, renewable twice, from the date of appointment as Chair, but may not exceed nine consecutive years in total length of service, whether in the capacity of Trustee, Vice-Chair and/or Chair. If the Chair is appointed through an external recruitment process, he or she may serve as Chair for a term of three years, renewable twice, up to a maximum of nine consecutive years in total length of service as Chair. The appointment of a Chair should be made with regard to maintaining a geographical balance.</p>

continued ...

... continued

Current wording of the Foundation's Constitution	Final proposed mark-up of the Foundation's Constitution	Final clean version of the wording of the Foundation's Constitution
	<p>(b) <del>Vice-Chairs shall only be appointed from among the Trustees. Their</del> <u>The role of a Vice-Chair(s)</u> shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, <del>and regardless of prior service as a Trustee, a Vice-Chair the appointee</del> may serve as the <del>Chair or a Vice-Chair</del> for a term of three years, renewable <del>once</del> <u>twice</u>, from the date of appointment as <del>Chair or Vice-Chair</del>, but may not exceed nine <u>consecutive</u> years in total length of service as a Trustee. The appointment of a <del>Chair and Vice-Chair(s)</del> should be made with regard to maintaining a geographical balance.</p>	<p>(b) Vice-Chairs shall only be appointed from among the Trustees. Their role shall be to chair meetings of the Trustees in the absence of the Chair or to represent the Chair in external contacts. With the agreement of the Trustees, a Vice-Chair may serve for a term of three years, renewable twice, from the date of appointment as Vice-Chair, but may not exceed nine consecutive years in total length of service as a Trustee. The appointment of a Vice-Chair(s) should be made with regard to maintaining a geographical balance.</p>