

## **Accounting Standards Advisory Forum: Terms of Reference**

The Accounting Standards Advisory Forum (ASAF) is a group of nominated members from both National Standard-Setters ('NSS') and regional bodies involved with accounting standard-setting (regional bodies). The members of ASAF and the IFRS Foundation (the Foundation) signed a Memorandum of Understanding on 6 December 2018. This document sets out ASAF's terms of reference.

### **1. OBJECTIVES OF THE ASAF**

- 1.1. The G20 has consistently emphasised the importance of working towards a single set of high quality global accounting standards, and called upon accounting standards setters to continue their efforts to achieve this goal. The IFRS Foundation (the 'Foundation') has set as its objectives the aim to develop in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles; to promote, and facilitate the adoption of International Financial Reporting Standards ('IFRSs') around the globe and to promote the consistent application of IFRSs around the globe. These standards should serve investors and other market participants in making informed resource allocation and other economic decisions. The International Accounting Standards Board ('IASB') is the standard-setting body of the Foundation.
- 1.2. The objective of the ASAF is to provide an advisory forum where members can constructively contribute towards the achievement of the IASB's goal of developing globally accepted high-quality accounting standards. More particularly ASAF is established to:
  - support the Foundation in its objectives, and contribute towards the development, in the public interest, of a single set of high quality understandable, enforceable and globally accepted financial reporting standards to serve investors and other market participants in making informed resource allocations and other economic decisions;
  - formalise and streamline the IASB's collective engagement with the global community of NSS and regional bodies in its standard setting process to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard setting activities are discussed and considered; and
  - facilitate effective technical discussions on standard-setting issues, primarily on the IASB's work plan but which may include other issues that have major implications for the IASB's work, in sufficient depth, with representatives at a high level of professional capability and with a good knowledge of their jurisdictions/regions.

### **2. ORGANISATIONAL STRUCTURE AND WORKING MECHANISMS**

#### **2.1. Chairmanship**

- 2.1.1. The IASB Chair or the Vice-Chair shall be the Chair of the ASAF.
- 2.1.2. The Chair shall have the discretion to draw up the ASAF technical agenda, following consultation with the IASB and ASAF members, and structure the meetings in such a

way as to ensure optimal and constructive, in-depth technical discourse to achieve the ASAF's objectives.

## 2.2. Membership

- 2.2.1. The ASAF shall comprise twelve non-voting members, represented by twelve individuals, plus the Chair.
- 2.2.2. The twelve individuals shall represent twelve NSS and regional bodies from around the globe. The appointment is not in their personal capacity.
- 2.2.3. The individual representatives of the ASAF members should be capable of providing technical expertise, experience and practical knowledge of accounting issues from within their jurisdiction/regions to enable them to contribute meaningfully to technical discussions and provide reliable and relevant technical advice to the IASB.
- 2.2.4. Every ASAF member shall be capable of, and willing to, allocate and commit necessary staffing and resources to meet the objectives of the ASAF and the IASB.
- 2.2.5. In order to ensure a broad geographical representation and balance of the major economic regions in the world, the twelve members shall be from the following geographical regions:
  - One member from Africa;
  - Three members from the Americas (North and South);
  - Three members from the Asia/Oceania region;
  - Three members from Europe (including non EU); and
  - Two members appointed from any area of the world at large, subject to maintaining overall geographical balance.
- 2.2.6. In order to ensure efficiency and continuity, there shall be a single designated representative for each member organisation. The single designated representative may be the Chair, or another senior member of staff from the organisation, who fulfils the requirements of section 2.2.3. The single designated representative may delegate another member of his/her organisation with specialist expertise to represent the organisation in discussions on particular agenda items.
- 2.2.7. The Chair shall have the discretion to invite a representative of a non-member NSS or regional body to attend and participate in ASAF meetings, subject to any attendee having the technical expertise and capability to make a valuable contribution to the ASAF in accordance with section 2.2.3 above. Where possible, the Chair will endeavour to obtain the prior consensus of the meeting.
- 2.2.8. Members of the IASB may attend ASAF meetings.
- 2.2.9. Membership of ASAF, which is renewable, is subject to review every three years (which itself is subject to the continued existence of ASAF). As well as achieving the geographical balance referred to in section 2.5.5 above, the review, as well as the initial composition, of the membership will take into account factors such as technical competence, the scale of the jurisdiction's capital market, the organisation's contribution to the IASB's standard-setting process and the scale and degree of the human capital resources available to the organisation, among others.

2.2.10. Members of ASAF will be selected by the Trustees of the IFRS Foundation, following a call for candidates.

### 2.3. Meetings

2.3.1. Meetings shall normally be held in London, utilising the Foundation's secretariat and resources to host the meeting, including the meeting venue and relevant catering. The Chair and ASAF members may agree to hold meetings in other locations.

2.3.2. Travel and accommodation costs of attending ASAF meetings shall be borne by the members attending the meeting.

2.3.3. Foundation staff shall prepare the proposed agenda for each meeting, in consultation with ASAF members, in order to provide a summary of the key issues under consideration. Supporting papers for the meetings will be prepared by Foundation staff or by ASAF members. The agenda and the supporting papers shall be circulated in advance in order to ensure that ASAF members are fully prepared and capable of actively and constructively participating in all ASAF discussions and work.

2.3.4. Members of the ASAF are recommended to attend all meetings in person. If attendance in person is not possible members may attend by using teleconferencing, videoconferencing or any other electronic means.

2.3.5. The ASAF shall normally meet four times per year; where appropriate one meeting per year may be held by videoconference.

### 2.4. Communication

2.4.1. All ASAF meetings shall be held in public and webcast for the benefit of stakeholders and observers around the globe. Agenda papers and a meeting summary will be posted on the Foundation's website.

2.4.2. The Foundation shall maintain a separate section of its website for ASAF, with the intention of providing information and support for all stakeholders.