

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 (Foundation) signed a separate Memorandum of Understanding on 31 March 2022, which outlines the commitments ASAF members have made to participate in the forum. 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 has set as its objectives:
 - to develop in the public interest, high quality, understandable, enforceable and globally accepted standards (IFRS Standards) for general purpose financial reporting based on clearly articulated principles;
 - to promote the use and rigorous application of IFRS Standards; and
 - to promote and facilitate the adoption of IFRS Standards through the convergence of national and regional standards and IFRS Standards.
- 1.2. One of the Foundation's standard-setting bodies, the International Accounting Standards Board (IASB) is responsible for developing a set of accounting standards (IFRS Accounting Standards). This set of IFRS Standards is intended to result in the provision of high-quality, transparent and comparable information in financial statements that is useful to investors and other participants in the world's capital markets in making economic decisions.
- 1.3. 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 and the IASB in their objectives, and contribute towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards;
 - to formalise and streamline the IASB's collective engagement with the global community of NSS and regional bodies in its standard-setting to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard-setting are discussed and considered; and

- to 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 significant knowledge of their jurisdictions/regions.

2. ORGANISATIONAL STRUCTURE AND WORKING MECHANISMS

2.1. Chair

- 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 12 non-voting members, represented by 12 individuals, plus the Chair.
- 2.2.2. The 12 individuals shall represent 12 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. To ensure a broad geographical representation and balance of the major economic regions in the world, the 12 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. 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 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, 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 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 videoconferencing.
- 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. Agenda papers and a meeting summary will be posted on the Foundation's website. However, administrative matters relating to the work of the ASAF may be held in private.
- 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.