

Financial Crisis Advisory Group

July 28, 2009

The Rt. Hon. Gordon Brown MP
Prime Minister
10 Downing Street
London SW1A 2AA

Dear Prime Minister:

We are writing to you in your role as chair of the leaders of the G-20 nations. We respectfully request that the Secretariat circulate this letter and the enclosures to all G-20 participants.

Today the Financial Crisis Advisory Group (FCAG) is presenting its report to the International Accounting Standards Board and the US Financial Accounting Standards Board about the standard-setting implications of the global financial crisis.

As discussed in our report, we firmly believe that improvements in accounting standards can help promote global financial stability and sound economic growth by enhancing transparency, reducing complexity and restoring confidence in financial reporting as a key component of the global financial system. We have emphasized to the Boards that improvements in the standards on financial instruments, a key area highlighted by the crisis, should be made as a matter of urgency. While we recognize the paramount importance of maintaining and enhancing the high quality of standards, we have also urged the Boards to make every effort to achieve converged solutions. To ensure that the standards produced are high quality, unbiased and widely accepted, it is essential, however, that the standard-setting process be conducted in an atmosphere of respect for the Boards' independence and with wide consultation by the Boards as a matter of their public accountability.

The FCAG will be meeting in December to review the progress that has been made. In the meantime, we have advised the Boards that we remain available to assist in their efforts.

Sincerely,



Harvey J. Goldschmid
Co-chair



Hans Hoogervorst
Co-chair

cc: FCAG members and official observers
Sir David Tweedie, chair, IASB
Robert Herz, chair, FASB