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2 June 2010

The Honourable Yoon, Jeung-Hyun  
Ministry of Strategy and Finance  
Government Complex II  
88 Gwanmoonro, Gwacheon City  
Gyeonggi Province, 427-725  
The Republic of Korea

Dear Minister Yoon:

On behalf of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), accounting standard-setters charged with developing high quality accounting standards, we are writing to you as the host of the upcoming meeting of finance ministers in Korea. We respectfully request that the meeting secretariat circulate this letter to other meeting participants.

We understand the importance that the G20 attaches to our joint convergence efforts. At the Pittsburgh Summit, held in September 2009, the G20 leaders stated “We call on our international accounting bodies to redouble their efforts to achieve a single set of high quality, global accounting standards within the context of their independent standard setting process, and complete their convergence project by June 2011. The International Accounting Standards Board’s (IASB) institutional framework should further enhance the involvement of various stakeholders.”

Closely following the Pittsburgh Summit, in our November 2009 joint statement, the boards again reaffirmed our commitment to improving International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) and achieving their convergence. That statement affirmed June 2011 as the target date for completing the major projects listed in the 2006 Memorandum of Understanding (MoU), as updated in 2008. The statement also described project-specific milestone targets, and acknowledged the need to intensify our standard-setting efforts to meet those targets.

Reflecting our commitment to timely completion of the major MoU projects, the boards have significantly intensified their interaction. The boards are now meeting jointly for consecutive days on a monthly basis, either in person or by video. The boards have called, and will continue to schedule special joint meetings to address issues requiring timely joint resolution.

In our November statement, the boards committed themselves to providing transparency and accountability regarding those plans by reporting periodically on our progress.

Our first report, dated 31 March 2010, described the progress that we had made to date and explained some of the challenges that we face in improving and converging our standards. We attach that report for your information. We will publish a second interim progress report very shortly.

The Pittsburgh Leaders Statement highlighted the importance of stakeholder engagement. We believe that enabling all interested parties to review properly, evaluate, and provide views is essential to developing high quality standards that are durable and serve investors and the global economy. Since the beginning of the financial crisis, the boards have significantly enhanced their engagement with the investor, market supervisors, prudential regulatory and other stakeholder communities. The boards have conducted intensive outreach programmes on their proposals and will continue to do so.

Since publishing our March progress report, however, stakeholders have voiced concerns about their ability to provide high-quality input on the large number of major Exposure Drafts we planned for publication in the second quarter of this year. As described in the attached joint statement issued today, the IASB and the FASB are in the process of developing a modified strategy to take account of these concerns.

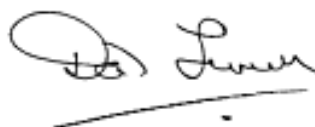
In developing that modified strategy, we note the relevance of the June 2011 target to G20 members adopting IFRSs in 2011 or 2012 and for other countries, including Japan and the United States, who consider continued improvement and convergence to be an important consideration in deciding the role of IFRSs in their capital markets.

The modified strategy retains the target completion date of June 2011 for many of the projects identified by the original MoU, including those projects, as well as other issues not in the MoU, where a converged solution is urgently required. The target completion dates for a few projects have extended into the second half of 2011. The nature of the comments received on the Exposure Drafts will determine the extent of the redeliberations necessary and the timeline required to arrive at high quality, converged standards.

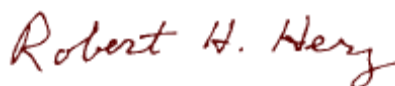
It is expected that this action by the FASB and IASB will not negatively impact the Securities and Exchange Commission's work plan, announced in February, to consider in 2011 whether and how to incorporate IFRS into the US financial system.

We appreciate the support of the G20 for the development of a single set of high quality global accounting standards. The two boards remain committed to achieving that objective. We shall continue to provide timely updates regarding our progress.

Yours sincerely,



David Tweedie  
Chairman  
IASB



Robert Herz  
Chairman  
FASB

Attachments