



**International
Accounting Standards
Board**

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This document is provided as a convenience to observers at Standards Advisory Council meetings, to assist them in following the Council's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

Note: These notes are based on the staff paper prepared for the Council. Paragraph numbers correspond to paragraph numbers used in the Council paper.

INFORMATION FOR OBSERVERS

SAC Meeting: November 2006, London
Project: Implementation / interpretation / national standard setters
(Agenda Paper 7)

(The SAC chairman prepared this agenda paper)

At various SAC meetings certain issues are raised having to do with the future of International Financial Reporting.

This concern is clearly within SAC's mandate.

For the November 2006 session, a slot was designated to focus the discussion on some of the points that were raised in the past relating to the challenge of building a solid basis for IFRS in the future. It has been said that it is necessary to see separately the "journey" (the process of setting out the standards) from the "destination" (seeing the standards actually implemented).

Unfortunately it is not infrequent to see or hear references to "Country Y IFRS" or "London IFRS". This could not be more contrary to the spirit, intention, and purpose of IFRS themselves, nor to the Missions of the Board, the Trustees and SAC.

As an effort to have SAC members even more involved in detecting problems that threaten the future of IFRS as well as trying to provide the Board and the Trustees with sound advice on how to enhance the entire process of standard setting and implementation, a few

SAC members were invited by the SAC chair to list their views on the issues described below and share them with the plenary SAC in November '06. The debates of these issues will be co-led by the SAC chair and the following volunteer SAC members, and all SAC members attending to the meeting will be asked to comment and / or express their views:

DISCUSSION CO-LEADERS:

SAC Chairman

Nelson Carvalho

AUDITORS:

Alberto Giussani

David Lindsell

Ingebret Hisdal

PREPARERS:

Darrel Scott

Hugo Schaub

Judith Downes

Patrice Marteau

ANALYSTS:

Anna di-Michele

Sarah Deans

Trevor Harris

ISSUES FOR DEBATE:

1. Which are some of the most important implementation issues you see in the years ahead until IFRS may be considered fully implemented on a global basis?
2. Is "interpretation" an issue for the future of IFRS? Was IFRIC set out in a way that the "interpretation" challenge can be adequately handled when IFRS reach all countries intended? Do you think that other "interpretation mechanisms" may be required over time, in order to meet the challenges of different business environments/cultures, different legal environments, and issues arising out of translations?
3. How do you see the risk that regulators in some jurisdictions feel tempted to "interpret" IFRS on their own and eventually disconnected with IFRIC's or the Board's views?
4. As a preparer / auditor / analyst, what would you recommend to be added (or eventually changed) to the IASB for it to be even more effective?
5. Any other threats to the future of IFRS as you may see.