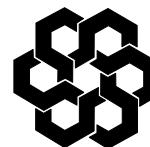




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*This document is provided as a convenience to observers at the joint IASB-FASB meeting, to assist them in following the Boards' discussion. It does not represent an official position of the IASB or the FASB. Board positions are set out in Standards (IASB) or Statements or other pronouncements (FASB).
These notes are based on the staff papers prepared for the IASB and FASB. Paragraph numbers correspond to paragraph numbers used in the joint IASB-FASB papers. However, because these notes are less detailed, some paragraph numbers are not used.*

INFORMATION FOR OBSERVERS

IASB/FASB Meeting: 22 October 2007, Norwalk
Project: Conceptual Framework: Phase A
Subject: Comment period for ED (Agenda paper 3)

INTRODUCTION

1. At their August/September meetings, the Boards directed the staff to commence drafting an Exposure Draft (ED) on the objective and qualitative characteristics of financial reporting (Phase A). The purpose of this memo is to ask the Boards to decide the length of the comment period for the ED of Phase A. The staff recommendation is for 120 days.

GUIDANCE TO DETERMINE COMMENT PERIODS

2. Paragraph 97 of the IASB Due Process Handbook (April 2006) says:

The IASB normally allows a period of 120 days for comment on its consultation documents. For exposure drafts, if the matter is exceptionally

urgent, the document is short, and the IASB believes that there is likely to be a broad consensus on the topic, the IASB may consider a comment period of no less than 30 days. For major projects, the IASB will normally allow a period of more than 120 days for comments. ...

3. Relevant extracts from the FASB Reference Manual¹ regarding comment periods for Statements of Financial Accounting Concepts are below:

The FASB will expose all proposed Statements of Financial Accounting Concepts for public comment for at least 60 days, unless a shorter period (not less than 30 days) is considered appropriate by the FASB.

Considerations used in setting comment deadlines include the following:

1. The time of year of the comment period. ...
2. The complexity of the proposal. ...
3. The types of organizations likely to respond to the proposal. ...
4. The urgency of FASB action. ...

Based on the above constraints, comment deadlines would usually be within the following guidelines:

<u>Type of Document</u>	<u>Normal Range of Comment Deadlines</u>
Discussion Memorandums	90 to 180 days
Preliminary Views	90 to 180 days
Invitations to Comment	60 to 120 days
Exposure Drafts of proposed Concepts Statements	90 to 180 days . . .

CURRENT TIMETABLE

4. [Paragraph omitted from observer note].
5. This timetable assumes that the staff will not have any sweep issues. If there are, publication of the ED will likely be affected.
6. [Paragraph omitted from observer note].

¹ Posting of June 27, 2007, under the headings of **Document Policies** and **Comment Deadlines**.

ANALYSIS

7. In determining the comment period, Board members should consider the factors below:
 - a. The applicable guidance from either the IASB due process handbook or FASB manual.
 - b. To provide adequate time for non-English speaking constituents to translate the ED in their languages.
 - c. The objective and qualitative characteristics underpin the work of the framework project (and other standard-setting projects). For example, by having an understanding on who the *users of financial reports* are, we will know which is the most *relevant* measurement basis provides the most *decision-useful* information. Another example is by understanding the needs of those users, Board members will be able to decide which type of financial information *faithfully represents* a phenomena to be presented in financial reports.
 - d. Based on the timetable above, some constituents may complain that the comment period may overlap their busy season. [Timetable omitted from observer note]. However, as we have already published a DP/PV prior to this ED, our constituents should already be familiar with relevant issues from this phase. Because of that familiarity, the staff thinks that 120 days is sufficient for an informed response.

STAFF RECOMMENDATION

8. Balancing all the factors mentioned above, the staff recommends that the ED should have a 120 day comment period.

Question to the Boards:

9. Do you agree that the ED for Phase A should have a 120-day comment period?