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**International
Accounting Standards
Committee Foundation**

This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

IASCF Meeting, 17-18 March 2008, London

Agenda Paper 3A

Note written by Sir Bryan Nicholson, Member of the Due Process Oversight Committee

Meeting between the Trustees' Due Process Oversight Committee and the IASB 10 March 2008

As you know, the Due Process Oversight Committee was scheduled to meet with the IASB on 10 March to discuss a number of issues raised by both the Trustees and the IASB. Unfortunately, British weather intervened, and the flights of Gerrit Zalm, Antonio Vegezzi, and Bertrand Collomb were cancelled or seriously delayed.

As the only London-based member of the Committee, I did hold a short meeting with the IASB and am writing to report on the discussions. In no way did I intend to substitute this discussion with the formal meeting, but I sensed the desire of some IASB members to communicate with the Trustees on some of the matters. Perhaps Antonio, as Chairman of the Committee, might like to consider meeting in the margins of the Trustees' meeting with those IASB members present.

Our original agenda had a number of items of importance. Because I was the only Trustee present, the abbreviated meeting on the 10th focused only upon the first, second, and sixth topics on the agenda, and to some degree on the third.

In terms of the Memorandum of Understanding (MoU), I reiterated the Trustee position that we supported the completion of the MoU, recognise its relevance in the consideration of IFRS adoption in the United States, and will be open to resource requests to help finalise the projects. Members of the IASB discussed their desire to consider modifications of their working procedures to complete the remaining projects on the MoU by the middle of 2011. They did acknowledge that the IASB does face constraints imposed by due process requirements. The members of the IASB also commented upon the need for more technical staff to achieve the ambitious timeline. It was in this general context that some reference to agenda item three was made.

We had a discussion of some of the accounting issues that had been raised as a result of the recent credit crisis. John Smith informed me that he (on behalf of the IASB) was participating in a working group of policymakers, regulators, and other experts to provide guidance to the financial reporting community, under the auspices of the Financial Stability Forum. John noted that there was a consensus among the group that the accounting was not to blame in the current crisis. IASB members did discuss recent press accounts about the role of fair value accounting, and it appeared that they were sensitive to the issues raised against the use of fair value accounting by some commentators.

Finally, we had an opportunity to discuss the Constitutional changes related to the Monitoring Group and the composition of the IASB being proposed. The IASB understood the rationale for the Trustees' approach, but emphasised the need to protect the independence of the standard-setting process. One of the members of the IASB questioned whether the Trustees should consider making a positive commitment to geographical diversity of the IASB, rather than setting hard quotas, but no others spoke to this point.