



International Accounting Standards
Committee Foundation

Press Release

08 April 2008

Trustees launch Constitution Review and announce conclusions of meeting in March 2008

The Trustees of the International Accounting Standards Committee (IASC) Foundation, the oversight body of the International Accounting Standards Board (IASB), today announced the conclusions reached at their meeting in London on 17 and 18 March. At the meeting, the Trustees agreed on the process for the second five-yearly Constitution Review and completed proposals for immediate consultation on the creation of a Monitoring Group and the size and composition of the IASB. They also approved the text of a report on their 2007 oversight activities, created a special committee of Trustees to consider the future of the Standards Advisory Council, and approved the 2007 financial statements of the IASC Foundation.

The launch of the Constitution Review

The Trustees agreed on a process aimed at a thorough and transparent Constitution Review that will enable interested parties to raise any issues they wish the Trustees to consider and will provide opportunities to comment on proposals. Following the normal timeline, the Review should be complete by the end of 2009.

However, there are two issues that are to be dealt with earlier—one related to the Foundation in terms of its governance and public accountability (the creation of a Monitoring Group, previously discussed by the Trustees at their meetings in October-November 2007 and January 2008) and another concerning the composition of the IASB. These two topics are ones on which the Trustees have already received views from interested parties urging them to expedite the process in these areas, and on which the Trustees believe that delaying implementation until 2010 is not appropriate. Thus the Trustees propose, as the Constitution permits, to deal with these separately and in an accelerated time frame, with a view to implementation on 1 January 2009.

The remaining issues will be dealt comprehensively beginning with a consultation document in the second half of 2008 inviting respondents to raise constitutional issues. A fuller description of the agreed Constitution Review process is attached.

The Trustees intend to publish later this month for public comment their proposals regarding the Monitoring Group and the composition of the IASB.

Continued emphasis on effectiveness of oversight

At the meeting, the Trustees reviewed their effectiveness in achieving their oversight objectives, as set out in the framework agreed in October 2006. The Trustees approved a report of their activities for 2007, which will be posted on the IASC Foundation's Website. The Trustees also agreed to publish a separate summary of their activities as part of the 2007 Annual Review.

Review of the IASB's work programme

The Trustees received a report from Sir David Tweedie, Chairman of the IASB, on the IASB's activities. The Trustees continued to emphasise the relevance of the projects set out in the IASB's Memorandum of Understanding with the US Financial Accounting Standards Board in February 2006 for the establishment of a single set of accounting standards used worldwide.

Progress on long-term financing arrangements

The Trustees noted that the IASC Foundation has raised £13 million towards its funding requirement for 2008 of £16 million. The Trustees noted that some countries have established a levy system through regulatory bodies and accounting firms, that funding from around the world continues to be diversified and that good progress is being made to ensure sustainable resources for the organisation.

The Trustees remain committed to funding the standard-setting operations through these new funding arrangements and will continue to pursue the £16 million target. While the Trustees are establishing the new regimes, the remaining shortfall will be covered by publications sales and interest on investments.

A more detailed update covering the funding of the IASC Foundation is available on the IASC Foundation's Website.

Review of the Standards Advisory Council

Noting that the terms of the members of the Standards Advisory Council (SAC) come to an end in December 2008, the Trustees established an internal committee chaired by Philip

Laskawy, Vice Chairman of the Trustees, to examine the Trustees' approach for a reconstituted SAC in 2009. This examination will be of high priority, and the committee will seek to make recommendations at the July 2008 meeting.

The Trustees emphasised their common belief that the SAC, as a globally representative body, should play an important role in reflecting the views of the many parties interested in the IASB's standard-setting activities. As part of their review, the Trustee committee will examine the composition of the SAC and its terms of reference.

Approval of the 2007 financial statements

The Trustees approved the financial statements that will now be published as part of the IASC Foundation's 2007 Annual Review. The Trustees expect to publish the Review in early May.

* * *

The next meeting of the Trustees will be held in Washington DC, USA on 8 and 9 July 2008. Information about the meeting will be posted on the IASC Foundation's Website.

END

For press enquiries:

Mark Byatt, Director of Corporate Communications,
Telephone: +44 (0)20 7246 6472; email: mbyatt@iasb.org

Sonja Horn, Communications Adviser,
Telephone: +44 (0)20 7246 6463; email: shorn@iasb.org

Tom Seidenstein, Director of Operations, IASC Foundation,
Telephone: +44 (0)20 7246 6450; email: tseidenstein@iasb.org

Notes to Editors

About the IASC Foundation

1. The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees. Six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six from North America, and four from any region.
2. The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. The IASC Foundation is funded by contributions from the major accounting firms,

private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations.

Appendix:

Organising the Constitution Review

1 Though emphasising from the outset the priority of public accountability, the Trustees will conduct a thorough and transparent Constitution Review that will enable interested parties to raise any issues that they wish the Trustees to consider and will provide opportunities to input on proposals. This note describes how the Trustees expect to proceed with the Review.

2 The Trustees have now established a Constitution Committee, which comprises the following Trustees:

Gerrit Zalm, Chairman of the Trustees
Philip Laskawy, Vice Chairman of the Trustees
Bertrand Collomb
Samuel DiPiazza
Aki Fujinuma
Pedro Malan
Antonio Vegezzi

3 The Trustees as a whole will reach conclusions on the Constitution Review and the Constitution Committee will help manage the process. The Trustees have established the following procedures to help ensure an efficient and transparent process:

- The Constitution Committee will make non-binding recommendations to the Trustees, and the Trustees as a whole will make final decisions regarding any changes in the Constitution.
- Any discussions related to the Constitution during the full Trustees' meetings will be held during the public sessions of Trustees' meetings.
- The Committee will engage in intensive public consultations before making recommendations to the full Trustees. The consultations will include:
 - discussions with interested parties
 - possibly, public meetings or round-table discussions around the world
 - the publication of papers to assist those attending the public discussions of the Trustees or the Committee to follow the deliberations
 - the publication of all proposals with a period for public comment before the Trustees reach a conclusion.

4 In launching the Constitution Review, the Trustees are seeking to balance their immediate priority—addressing issues related to public accountability—and the need to have a thorough and inclusive process on other elements of the Constitution. Therefore, the Trustees will advance the Constitution Review on two tracks. First, the Trustees are making

proposals related to the organisation’s public accountability and issues of size and geographical diversity of the standard-setting body, the IASB. Second, the Trustees will proceed with the review of other issues in the Constitution.

5 On that basis, the Trustees envisage the following timeline for the review:

Date	Action step
April 2008	Publication of proposals concerning public accountability and IASB size/geographical diversity—the first track of the Constitutional Review. Comment period to end on 31 July.
April-August 2008	Trustees to meet interested parties to discuss proposals on the first track
September 2008	Constitution Committee to develop proposals to present to full Trustees, based upon analysis of comment letters and other input on the first track proposals.
October 2008	Trustees to conclude the first track of Constitution Review at Beijing meeting. Changes to take effect for 1 January 2009.
October or November 2008	Trustees to publish a discussion document inviting views on other issues to be incorporated as part of the Constitutional Review—the second track of the Constitution Review.
October 2008-January 2009	Trustees to meet interested parties to discuss the second track of Constitution Review.
February 2009	Trustees to develop list of issues and the Constitution Committee to develop proposals.
April 2009	Trustees to publish other constitutional proposals on issues identified.
April 2009-October 2009	Trustees to hold a series of meetings on proposals, possibly including public round-table discussions.
October-November 2009	Conclusion of the Constitutional Review.