



30 Cannon Street, London EC4M 6XH, England
Phone: +44 (0)20 7246 6410, Fax: +44 (0)20 7246 6411
Email: iasb@iasb.org Website: <http://www.iasb.org>

**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 Trustees Meeting
Amsterdam 7 July 2009**

Agenda Paper 1B

Overview and Discussion of the Constitution

Part II Constitution Review—WORKSHEET: STAFF PROPOSALS

SECTION IN THE CONSTITUTION	ISSUES RAISED IN CONSULTATION	ISSUES OR PROPOSALS FOR THE CONSTITUTION COMMITTEE TO CONSIDER
Section 1 – Name 1 The name of the organisation shall be the	Commentators have noted that currently the name of the IASC Foundation and the IASB	The Trustees should propose changing the name of the organisation so that it is

<p>International Accounting Standards Committee Foundation (abbreviated as ‘IASC Foundation’). The International Accounting Standards Board (abbreviated as ‘IASB’), whose structure and functions are laid out in Sections 24–38, shall be the standard-setting body of the IASC Foundation.</p>	<p>does not reflect the IFRS standards issued by them. Commentators said this is confusing. IFRS is a global brand that is universally recognized. Trustees should give consideration to aligning the name of the organisation to the standards it produces.</p> <p>Aligned to this, concern was expressed that the IASC Foundation must protect the IFRS brand so that only those countries that adopt IFRS in full can claim IFRS compliance.</p>	<p>immediately clear that there is a link to the IASB and IFRSs.</p> <p>Trustees should look into better protecting the IFRS brand. This will not require a change to the constitution, but a change of internal policy.</p> <p>ACTION: Propose changing the name to the IFRS Foundation. (Constitution)</p>
<p>Section 2 -The objectives of the IASC Foundation are:</p> <p>(a) to develop, in the public interest, a single set of high quality, understandable and enforceable global accounting standards that require high quality, transparent and comparable information in financial statements and other financial reporting to help participants in the world’s capital markets and other users make economic decisions;</p> <p>(b) to promote the use and rigorous application of those standards;</p> <p>(c) in fulfilling the objectives associated with (a) and (b), to take account of, as appropriate, the special needs of small and medium-sized entities and emerging economies; and</p> <p>(d) to bring about convergence of national</p>	<p>The Trustees posed four questions relating to this section:</p> <p><u>Question 1</u>: Whether the present emphasis on helping ‘participants in the world’s capital markets and other users make economic decisions’, with consideration of ‘the special needs of small and medium-sized entities and emerging economies’ remain appropriate?</p> <p>In response a great deal of commentators confirmed that the overriding objective of developing in the public interest a single set of high quality global accounting standards should be maintained. However, there was disagreement as to whether the emphasis on “participants in the world’s capital markets” was appropriate. Most agreed that it was, but a minority of respondents, mainly from Australia and New Zealand said that a pure focus on capital markets is not helpful for</p>	<p>In response to the four questions posed the following proposals are made:</p> <p>Further to <u>Question 1</u>: if Trustees deem it appropriate, one of the main suggestions for consideration would be to keep the main objective set in (a) and make the other objectives (b)-(d) the means by which that main objective is achieved.</p> <p>Some of the following changes could be considered:</p> <ul style="list-style-type: none"> • Replace participants in the world’s capital markets’ with’ resource providers’. This would make it more neutral. • Replace the word ‘enforceable’ with ‘operational’ or ‘effective.’ • Ensure that readers understand that there is a clear separation between

<p>accounting standards and International Accounting Standards and International Financial Reporting Standards to high quality solutions.</p>	<p>jurisdictions that have adopted sector neutral standards when applying IFRSs.</p> <p>Those that agreed with the present focus however, made suggestions for amendments:</p> <ol style="list-style-type: none"> 1. Make the language more neutral. 2. Use consistent phraseology. 3. Ensure that the needs of users and businesses are being met. Therefore express reference to these stakeholders is significant. <p><u>Question 2:</u> Trustees also enquired whether the constitution should make express reference to principle-based standards.</p> <p>All commentators supported the IASB's practical emphasis on principle-based standards, but differences in opinion arose as to whether this should be expressly stated in the constitution. Consequently, commentators' responses were mixed equally.</p> <p>Those against it were concerned that this level of detail was not appropriate for a constitution document. It was better placed in the Due Process Handbook. There was also concern that there is no clarity as to the meaning of the term "principle-based approach".</p> <p><u>Question 3:</u> The Trustees enquired whether the present focus on financial reporting by private</p>	<p>"small and medium sized entities" and "emerging economies" and that the two are not perceived as having the same concerns."</p> <p><u>Staff, however, believes that a change is unnecessary currently. The issue of enforceability remains important, and the other language is sufficiently understood (the comment was not a frequent one).</u></p> <p>Further to <u>Question 2:</u> <u>It is recommended that no reference to principal-based standards should be included in the constitution.</u> It is correct that this level of detail is not appropriate for a constitutional document. If Trustees wish to enshrine this approach to accounting standards, it would indeed be better suited to subsidiary governing documentation, such as, by way of example, the Due Process Handbook.</p> <p>Further to <u>Question 3:</u> <u>No change is recommended to include mention of accounting for other sectors, in light of the significant demands placed on the organisation.</u></p> <p>Further to <u>Question 4:</u> The relevant section in the Constitution is section 28. Section 28 now states:</p>
---	--	---

	<p>sector companies should be widened to include the public and not-for-profit sector.</p> <p>Commentators were unanimous in their response. The IASC Foundation and the IASB should not widen its focus as it would detract from the present valuable work being undertaken. The IASB has limited resources.</p> <p><u>Question 4:</u> Should the IASC Foundation expressly allow for closer collaboration with a wider range of organisations whose objectives are compatible with the IASC Foundation's objectives?</p> <p>Most commentators confirmed the need for the IASC Foundation to collaborate and consult with a wide range of organisations, which have similar interests to the IASC Foundation. This enhances legitimacy of international accounting standards</p> <p>Some commentators recommended close collaboration with specific organisations whilst others took a more pragmatic approach and recommended a general enabling provision without specific reference to a list of organisations. Notwithstanding this point, some commentators who urged flexible and open-ended wording said that it would however be appropriate to make specific reference to establishing a closer relationship with the IPSASB.</p>	<p>The IASB will, in consultation with the Trustees, be expected to establish and maintain liaison with national standard-setters and other official bodies concerned with standard-setting in order to promote the convergence of national accounting standards and International Accounting Standards and International Financial Reporting Standards.</p> <p><u>The Trustees should make the language more flexible to enable consultation formally with a broader range of bodies on standard-setting and other related activities. This could be subject to Trustee review.</u> Staff recommends that the Constitution avoid making specific mention of the organisations involved.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> • No change in the stated objectives of the organisation. • No specific mention of principles-based approach. • No change in the Constitution to expand the mandate of the IASB. • Providing flexibility in the language related to liaison with other standard-setting bodies.
--	---	---

<p>Section 3 - Governance of the IASC Foundation</p> <p>The governance of the IASC Foundation shall rest with the Trustees and such other governing organs as may be appointed by the Trustees in accordance with the provisions of this constitution. The Trustees shall use their best endeavours to ensure that the requirements of this constitution are observed; however, they are empowered to make minor variations in the interest of feasibility of operation if such variations are agreed by 75 per cent of all the Trustees.</p>	<p>Trustees specifically asked commentators whether the language in Section 3 should be modified to reflect more accurately the creation of the Monitoring Group and its proposed role.</p> <p>Most commentators were of the view that the constitution needed to be updated appropriately to reflect more accurately the creation of the Monitoring Board and its proposed role and the separation of its functions from the Trustees and the IASB.</p> <p>Some commentators were concerned that the constitution should expressly provide that the Monitoring Board will safeguard the independence of the IASB and the IASC Foundation, free of jurisdictional or other bias so as ensure the maintenance of high quality accounting standards that appropriately meet the needs of users.</p> <p>It was recommended that the following amendments should be reflected in the constitution:</p> <ul style="list-style-type: none"> • The role and objectives of the Monitoring Board; • The processes and mechanisms that ensure a reasonable degree of transparency; • A statement of the principles that define the relationship between the 	<p>Given that many of the comments were received prior to the commentators becoming aware of the changes made to the constitution on 1 February 2009, following the conclusion of the first part of the constitution review it is recommended that only limited changes be made to section 3.</p> <p><u>It would be advisable to expressly include reference to the Monitoring Board in section 3.</u></p> <p>The new section 3 could read:</p> <p>The governance of the IASC Foundation shall primarily rest with the Trustees and such other governing organs as may be appointed by the Trustees in accordance with the provisions of this Constitution. The Trustees shall use their best endeavours to ensure that the requirements of this Constitution are observed; however, they are empowered to make minor variations in the interest of feasibility of operation if such variations are agreed by 75 per cent of all the Trustees.</p> <p>No further detail is required in this section of the constitution, since the role of the Monitoring Board is included in section 18. The inclusion of the work “primarily” should be sufficient.</p> <p>The remainder of the detail recommended by commentators seems better suited to a separate document, which would set out the Monitoring Board’s operating procedures and any detailed mechanisms. Section 20 already makes provision for the Monitoring Board to prepare a Charter, which would be in the</p>
--	--	--

	<p>Monitoring Board and the Trustees;</p> <ul style="list-style-type: none"> • The nature of reporting between the Monitoring Board and the Trustees; and • All elements of due process. <p>There were also some commentators who said that there should be appropriate checks and balances in place in order to ensure that the Monitoring Board would not be capable of inappropriately exerting their political interests.</p> <p>Trustees should note that many of the comments had been received prior to the commentators becoming aware of the changes made to the constitution on 1 February 2009, following the conclusion of the first part of the constitution review.</p>	<p>public domain. In addition, the Memorandum of Understanding sets out the operational relationship between the Trustees and the Monitoring Board, which is also publicly available.</p> <p>ACTION: Add the word “primarily” to section 3 to reflect the governance role of the Trustees more accurately.</p>
<p>Trustees Section 4 The Trustees shall comprise twenty-two individuals.</p>	<p>No issues were raised and there is no need for change.</p>	<p>No changes needed.</p>
<p>Section 5 The Monitoring Board (described further in Sections 18–23) shall be responsible for the approval of all Trustee appointments and reappointments. In approving such selection, the Monitoring Board shall be bound by the criteria set out in Sections 6 and 7. The Trustees and the Monitoring Board shall agree a nomination process that will entitle the Monitoring Board to recommend candidates</p>	<p>This is a new provision that was incorporated into the Part I review. There is no need for further amendment.</p>	<p>No changes needed.</p>

<p>and provide other input. In administering the nomination process and putting forward nominations to the Monitoring Board for approval, the Trustees shall consult international organisations as set out in Section 7.</p>		
<p>Section 6 All Trustees shall be required to show a firm commitment to the IASC Foundation and the IASB as a high quality global standard-setter, to be financially knowledgeable, and to have an ability to meet the time commitment. Each Trustee shall have an understanding of, and be sensitive to, the challenges associated with the adoption and application of high quality global accounting standards developed for use in the world's capital markets and by other users. The mix of Trustees shall broadly reflect the world's capital markets and diversity of geographical and professional backgrounds. The Trustees shall be required to commit themselves formally to acting in the public interest in all matters. In order to ensure a broad international basis, there shall be:</p> <p>(a) six Trustees appointed from the Asia/Oceania region;</p> <p>(b) six Trustees appointed from Europe;</p> <p>(c) six Trustees appointed from North America; and</p> <p>(d) four Trustees appointed from any area, subject to establishing overall geographical</p>	<p>Trustees specifically asked commentators whether the present geographic allocation remained appropriate, especially given the recent changes to the geographic allocation of the IASB.</p> <p>Most commentators confirmed that the current emphasis on Trustees' professional competence, experience and ability to work in the public interest was imperative. The geographic allocation was subsidiary.</p> <p>With regard to the current geographic allocation, many commentators felt that it was no longer appropriate, especially given the recent changes to the IASB's geographic allocation. Many felt that the two allocations should be similar. As such, representatives from Africa and South America should be included. Some also suggested the inclusion of the Caribbean and the Middle East.</p> <p>Some commentators expressed the need for flexibility in order to allow for growth and development.</p>	<p>It is recommended that Trustees amend the Constitutional language regarding geographical allocation of Trustees to match that of the IASB to include a requirement for one Trustee each from:</p> <ul style="list-style-type: none"> - Africa; - South America. <p>It is essential to maintain flexibility as set out in the existing clause (d).</p> <p>ACTION: Make specific mention of Africa and South America in the Constitution. This will leave two at large seats.</p>

balance.		
Section 7 The Trustees shall comprise individuals that as a group provide an appropriate balance of professional backgrounds, including auditors, preparers, users, academics, and other officials serving the public interest. Normally, two of the Trustees shall be senior partners of prominent international accounting firms. To achieve such a balance, Trustees should be selected after consultation with national and international organisations of auditors (including the International Federation of Accountants), preparers, users and academics. The Trustees shall establish procedures for inviting suggestions for appointments from these relevant organisations and for allowing individuals to put forward their own names, including advertising vacant positions.	No issues raised and no changes are required.	No change is necessary.
Section 8 Trustees shall normally be appointed for a term of three years, renewable once: in order to provide continuity, some of the initial Trustees will serve staggered terms so as to retire after four or five years.	No issues were raised. The three year term allows for consistency of approach and continuity of decision making which is imperative in the international environment. Furthermore, this gives stakeholders confidence that decision making is reliable.	No change is necessary.
Section 9 Subject to the voting requirements in Section 14, the Trustees may terminate the appointment of an individual as a Trustee on grounds of poor performance, misbehaviour or incapacity.	No issues were raised. This is a common provision. Trustees should have the capacity to remove those that do not contribute sufficiently to the organisation.	No change is necessary.

<p>Section 10 The Chairman of the Trustees shall be appointed by the Trustees from among their own number, subject to the approval of the Monitoring Board. With the agreement of the Trustees, regardless of prior service as a Trustee, the appointee may serve as the Chairman for a term of three years, renewable once, from the date of appointment as Chairman.</p>	<p>No issues were raised.</p>	<p>While there were no concerns raised in the Constitution, the Trustees should note that the current Constitution does not make specific mention of a Vice Chairman position.</p> <p>ACTION: The Trustees should consider adding the possibility for a Vice Chairman or Vice Chairmen in the Constitution. The title of Vice-Chairman would not imply that the individual concerned is the Chairman-elect.</p>
<p>Section 11 The Trustees shall meet at least twice each year and shall be remunerated by the IASC Foundation with an annual fee and a per-meeting fee, commensurate with the responsibilities assumed, such fees to be determined by the Trustees. Expenses of travel on IASC Foundation business shall be met by the IASC Foundation.</p>	<p>No issues were raised. This is a standard clause.</p>	<p>No change is necessary.</p>
<p>Section 12 In addition to the powers and duties set out in Section 13, the Trustees may make such operational commitments and other arrangements as they deem necessary to achieve the organisation's objectives, including, but without limitation, leasing premises and agreeing contracts of employment with IASB members.</p>	<p>No issues were raised. This is a standard clause. It is essential that the Trustees are vested with sufficient authority to run the organisation in accordance with their fiduciary duties and the objectives set out in the constitution.</p>	<p>No change is necessary.</p>
<p>Section 13 The Trustees shall: (a) assume responsibility for establishing and maintaining appropriate financing arrangements;</p>	<p>Trustees asked commentators to comment on sections 13 and 15 and more generally on the effectiveness of Trustees oversight functions. Commentators replied at length to this</p>	<p>No Constitutional change necessary.</p> <p>Many of the concerns were operational in focus, and the Trustees should seek to address</p>

<p>(b) establish or amend operating procedures for the Trustees;</p> <p>(c) determine the legal entity under which the IASC Foundation shall operate, provided always that such legal entity shall be a Foundation or other body corporate conferring limited liability on its members and that the legal documents establishing such legal entity shall incorporate provisions to achieve the same requirements as the provisions contained in this constitution;</p> <p>(d) review in due course the location of the IASC Foundation, both as regards its legal base and its operating location;</p> <p>(e) investigate the possibility of seeking charitable or similar status for the IASC Foundation in those countries where such status would assist fundraising;</p> <p>(f) open their meetings to the public but may, at their discretion, hold certain discussions (normally only about selection, appointment and other personnel issues, and funding) in private; and</p> <p>(g) publish an annual report on the IASC Foundation's activities, including audited financial statements and priorities for the coming year.</p>	<p>question, which was closely related to due process procedures and whether there should be an accelerated procedure.</p> <p>There was a strong sense in the responses that the Trustees should play a greater role in assessing the IASB's effectiveness, should be more active in the agenda setting process, and should demonstrate their review of the IASB's due process.</p> <p>Many commentators expressed the need for Trustees to be empowered to ensure the IASB takes account of stakeholder input.</p> <p>Some commentators felt that the duties and powers set out in sections 13 and 15 were sufficient, but expressed concern about the Trustees' effectiveness in discharging these duties and powers.</p> <p>It was noted that the constitution is silent on evaluating the performance of the organisation and as such it would be useful for the Trustees to articulate how they will assess the effectiveness of the IASB in more detail. Related to this was the suggested need for there to be an element of external independence to the due process procedures.</p> <p>A constitutional document should be lean and should simply provide general enabling powers without going into too much detail. If</p>	<p>these issues of practice or perception.</p>
---	---	--

	<p>these points are to be acted upon it would not be appropriate for a constitution document, but better suited to the Due Process Handbook. Furthermore if the constitution is to be altered in any way, it should not fall within section 13.</p> <p>Given the general enabling clause in section 12, there is no necessity to alter this section.</p> <p>However, consideration may be given to whether the section may be extended to include a general provision empowering the Trustees to collaborate more closely with other organizations with similar objectives.</p> <p>Consideration should be given to whether it would be better placed in sections 2 or 15. This would very much depend on whether Trustees consider the need to collaborate more widely to be a means of achieving its objectives or whether it should merely form a part of the general empowering provisions applicable to the Trustees.</p>	
<p>Section 14 There shall be a quorum for meetings of the Trustees if 60 per cent of the Trustees are present in person or by telecommunications: Trustees shall not be represented by alternates. Each Trustee shall have one vote, and a simple majority of those voting shall be required to take decisions on matters other than termination of the</p>	<p>This is a standard provision and no issues have been raised.</p>	<p>No change is necessary</p>

<p>appointment of a Trustee, amendments to the constitution, or minor variations made in the interest of feasibility of operations, in which cases a 75 per cent majority of all Trustees shall be required; voting by proxy shall not be permitted on any issue. In the event of a tied vote, the Chairman shall have an additional casting vote.</p>		
<p>Trustees Section 15 In addition to the duties set out in Part A, the Trustees shall:</p> <p>(a) appoint the members of the IASB and establish their contracts of service and performance criteria;</p> <p>(b) appoint the members of the International Financial Reporting Interpretations Committee and the Standards Advisory Council;</p> <p>(c) review annually the strategy of the IASC Foundation and the IASB and its effectiveness, including consideration, but not determination, of the IASB's agenda;</p> <p>(d) approve annually the budget of the IASC Foundation and determine the basis for funding;</p> <p>(e) review broad strategic issues affecting accounting standards, promote the IASC Foundation and its work and promote the objective of rigorous application of International Accounting Standards and International Financial Reporting Standards, provided that the Trustees shall be excluded</p>	<p>Please see the notes to section 13 above. The Trustees specifically requested comments on Trustee' oversight powers.</p> <p>Commentators have requested that the Trustees take more oversight responsibility for setting the IASB's agenda and to have the capacity to ensure the IASB responds to stakeholders' concerns and criticisms.</p> <p>In addition, there is concern that if there is to be an accelerated due process procedure in exceptional emergency situations, then some form of express provision is required.</p> <p>Commentators have different views on this point and many are against it; but acknowledge that a process is necessary for emergency situations. Commentators have also noted that an emergency procedure would only be acceptable if the constitution sets forth a detailed procedure and sets out the circumstances when it will be invoked. This is aimed at transparency, clarity and to prevent</p>	<p>The preliminary view is that there should be some form of public consultation in every circumstance. At the same time, the current provisions allowing a 30-day accelerated process were generally sufficient. In exceptional circumstances and for issues of limited scope, the Trustees, who can alter the Constitution, could enable a shorter period of consultation. These occasions, where major unforeseen developments arise, would be rare.</p> <p>The Trustees should only permit a shorter period of consultation after a formal request of the IASB and should make the decision at a public meeting (either by phone or in person).</p> <p>ACTION: There is no need for a Constitutional change here, but the Trustees may wish to signal circumstances which would require a due process shorter than 30 days would be exceedingly rare.</p>

<p>from involvement in technical matters relating to accounting standards;</p> <p>(f) establish and amend operating procedures, consultative arrangements and due process for the IASB, the International Financial Reporting Interpretations Committee and the Standards Advisory Council;</p> <p>(g) review compliance with the operating procedures, consultative arrangements and due process as described in (f);</p> <p>(h) approve amendments to this constitution after following a due process, including consultation with the Standards Advisory Council and publication of an exposure draft for public comment and subject to the voting requirements given in Section 14;</p> <p>(i) exercise all powers of the IASC Foundation except for those expressly reserved to the IASB, the International Financial Reporting Interpretations Committee and the Standards Advisory Council; and</p> <p>(j) foster and review the development of educational programmes and materials that are consistent with the IASC Foundation's objectives.</p>	<p>misuse.</p> <p>The IASB has noted that there is already an accelerated procedure that allows for the IASB to decide on matters in 30 days. Furthermore it would be very difficult to account for every future eventuality.</p> <p>The Due Process Oversight Committee has looked at this matter and concluded that in the circumstances, the current constitution should remain unchanged. However, it might be helpful to include a provision that the Trustees have the authority to agree to amend due process in exceptional circumstances, where good cause is shown. This section is the most appropriate section for such an additional clause.</p> <p>With regard to the comments made at section 13 above, it is submitted that together with sections 12 and 16, the constitution provides Trustees with most of the powers required to:</p> <ul style="list-style-type: none"> - assess the IASB's effectiveness and compliance with due process; and - Ensure that the IASB responds adequately to stakeholder input. <p>The Monitoring Board provides oversight of the Trustees and the organisation as a whole and the Due Process Handbook sets forth the duties of the IASB to consult widely.</p>	<p>The Trustees may also wish to emphasise their commitment to advance the financing scheme as well.</p>
--	---	---

	Some commentators, especially from Europe, urged the Trustees to take greater control of the IASB's agenda setting process. Others urged against it. Some suggested requiring the IASB to consult more widely before setting its Agenda. It is noted that this section allows Trustees to oversee the IASB's agenda in any event. On this basis, no other amendment is recommended.	
Section 16 The Trustees may terminate the appointment of a member of the IASB, the International Financial Reporting Interpretations Committee or the Standards Advisory Council, on grounds of poor performance, misbehaviour, incapacity or other failure to comply with contractual requirements, and the Trustees shall develop procedures for such termination.	This is a standard provision and no issues have been raised.	No change is necessary
Section 17 The accountability of the Trustees shall be ensured <i>inter alia</i> through: (a) a commitment made by each Trustee to act in the public interest; (b) their commitment to report to and engage with the Monitoring Board according to the terms described in Sections 18–23. (c) their undertaking a review of the entire structure of the IASC Foundation and its effectiveness, such review to include consideration of changing the geographical distribution of Trustees in	No issues have been raised. Given the interest in the governance of the organisation and the role it plays in the international arena, it would be quite unwise to amend or remove any part of this section. Furthermore, commentators were very firm in their support of clause (a) and the function that Trustees perform in that regard. Commentators expressed concern that Trustees effectiveness and accountability needed to be improved. However, it is	No change is necessary.

<p>response to changing global economic conditions, and publishing the proposals of that review for public comment, the review commencing three years after the coming into force of this constitution, with the objective of implementing any agreed changes five years after the coming into force of this constitution (6 February 2006, five years after the date of the incorporation of the IASC Foundation); and</p> <p>(d) their undertaking a similar review subsequently every five years.</p>	<p>suggested that this section provides sufficient oversight and duty on the Trustees to account for their actions. No changes are therefore recommended.</p>	
<p>The Monitoring Board</p> <p>Section 18 A Monitoring Board will provide a formal link between the Trustees and public authorities. This relationship seeks to replicate, on an international basis, the link between accounting standard-setters and those public authorities that have generally overseen accounting standard-setters. A Memorandum of Understanding will be agreed between the Monitoring Board and the Trustees describing the interaction of the Monitoring Board with the Trustees. This Memorandum of Understanding will be made available to the public.</p>	<p>This is a new clause following Part I of the constitution review. No changes are recommended.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>
<p>Section 19 The responsibilities of the Monitoring Board shall be:</p> <p>(a) to participate in the process for appointing Trustees and to approve the appointment of Trustees according to the</p>	<p>This is a new section following the conclusion of Part I of the constitution review.</p> <p>Certain related matters were raised in Part II of the constitution review.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>

<p>guidelines in Sections 5–8.</p> <p>(b) to review and provide advice to the Trustees on their fulfilment of the responsibilities set out in Sections 13 and 15. The Trustees shall make an annual written report to the Monitoring Board.</p> <p>(c) to meet the Trustees or a subgroup of the Trustees at least once annually, and more frequently as appropriate. The Monitoring Board shall have the authority to request meetings with the Trustees or separately with the Chairman of the Trustees (with the Chairman of the IASB as appropriate) about any area of work of either the Trustees or the IASB. These meetings may include discussion of, and any IASC Foundation or IASB proposed resolution of, issues that the Monitoring Board has referred for timely consideration by the IASC Foundation or the IASB.</p>	<p>One of the recommendations that were made included the proposal that the constitution should include an express provision that the Monitoring Board will safeguard the independence of the IASB and the IASC Foundation, free of jurisdictional or other bias so as ensure the maintenance of high quality accounting standards that appropriately meet the needs of users. This would be the best place for such a provision, should the Trustees consider it necessary.</p> <p>Commentators also recommended that the Monitoring Board should play a greater oversight responsibility over the Trustees and the IASB, and the IASB’s agenda setting process.</p> <p>It is suggested that such suggestions misunderstands the role of the Monitoring Board and the need to keep the IASB independent. This body is not designed to deal with the day to day functioning of the organisation. Accordingly no further amendments are recommended.</p>	
<p>Section 20 The Monitoring Board shall develop a charter that sets out its organisational, operating and decision-making procedures. The charter shall be made public.</p>	<p>This is a new clause following Part I of the constitution review. No changes are recommended.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>
<p>Section 21 Initially, the Monitoring Board</p>	<p>This is a new clause following Part I of the</p>	<p>No change to be considered in light of the</p>

<p>shall comprise:</p> <p>(a) the responsible member of the European Commission,</p> <p>(b) the chair of the IOSCO Emerging Markets Committee,</p> <p>(c) the chair of the IOSCO Technical Committee (or vice chair or designated securities commission chair in cases where either the chairman of an EU securities regulator, commissioner of the Japan Financial Services Agency or chairman of the US Securities and Exchange Commission is the chair of the IOSCO Technical Committee),</p> <p>(d) the commissioner of the Japan Financial Services Agency,</p> <p>(e) the chairman of the US Securities and Exchange Commission, and</p> <p>(f) as an observer, the chairman of the Basel Committee on Banking Supervision.</p>	<p>constitution review. No changes are recommended.</p>	<p>fact that these changes were just subject to review.</p>
<p>Section 22 The Monitoring Board shall reconsider its composition from time to time relative to its objectives.</p>	<p>This is a new clause following Part I of the constitution review. No changes are recommended.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>
<p>Section 23 The Monitoring Board shall reach decisions to approve the appointment of Trustees and establish any common positions by consensus.</p>	<p>This is a new clause following Part I of the constitution review. No changes are recommended. Any detail of how Trustees are to be appointed should be included in a separate document.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>
<p>IASB</p> <p>Section 24 The IASB shall comprise fourteen members, increasing to sixteen members at a</p>	<p>No changes are recommended following amendments made during the Part I constitutional review.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>

<p>date no later than 1 July 2012. The members of the IASB are appointed by the Trustees under Section 15(a). Up to three members may be part-time members (the expression ‘part-time’ meaning that the members concerned commit most of their time in paid employment to the IASC Foundation) and shall meet appropriate guidelines of independence established by the Trustees. The remaining members shall be full-time members (the expression ‘full-time’ meaning that the members concerned commit all of their time in paid employment to the IASC Foundation). The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members, although the Trustees shall use their best endeavours to achieve a full complement.</p>		
<p>Section 25 The main qualifications for membership of the IASB shall be professional competence and practical experience. The Trustees shall select members of the IASB, consistently with the Criteria for IASB Members set out in the Annex to the constitution, so that it will comprise a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience in order to contribute to the development of high quality, global accounting standards. The members of the IASB shall be required to commit themselves formally to acting in the public interest in all matters. No</p>	<p>This section has recently been changed following Part I of the constitution review. Commentators all expressed the importance of maintaining the Criteria for IASB Members and the emphasis on professional competence and practical experience. No changes are recommended.</p>	<p>No change to be considered in light of the fact that these changes were just subject to review.</p>

individual shall be both a Trustee and an IASB member at the same time.		
<p>Section 26 In a manner consistent with the Criteria for IASB Members as set out in the Annex to the constitution and in order to ensure a broad international basis, there shall normally be, by 1 July 2012:</p> <p>(a) four members from the Asia/Oceania region;</p> <p>(b) four members from Europe;</p> <p>(c) four members from North America;</p> <p>(d) one member from Africa;</p> <p>(e) one member from South America; and</p> <p>(f) two members appointed from any area, subject to maintaining overall geographical balance.</p> <p>The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members according to the above geographical allocation, although the Trustees shall use their best endeavours to achieve the geographical allocation.</p>	This section has recently been changed following Part I of the constitution review. No further changes are recommended.	No change to be considered in light of the fact that these changes were just subject to review.
<p>Section 27 The Trustees shall select IASB members so that the IASB as a group provides an appropriate mix of recent practical experience among auditors, preparers, users and academics.</p>	<p>No change is recommended.</p> <p>Commentators emphasised the need for the IASB to make standards that met practical business needs. However, this would be achieved with the proposed composition of the IASB in any event. Therefore there is no need for amendment.</p>	No change is necessary.

<p>Section 28 The IASB will, in consultation with the Trustees, be expected to establish and maintain liaison with national standard-setters and other official bodies concerned with standard-setting in order to promote the convergence of national accounting standards and International Accounting Standards and International Financial Reporting Standards.</p>	<p>No change is recommended.</p>	<p>No change is necessary.</p>
<p>Section 29 Each full-time and part-time member of the IASB shall agree contractually to act in the public interest and to have regard to the IASB <i>Framework</i> (as amended from time to time) in deciding on and revising standards.</p>	<p>No change is recommended.</p>	<p>No change is necessary.</p>
<p>Section 30 The Trustees shall appoint one of the full-time members as Chairman of the IASB, who shall also be the Chief Executive of the IASC Foundation. One of the full-time members of the IASB shall also be designated by the Trustees as Vice-Chairman, whose role shall be to chair meetings of the IASB in the absence of the Chairman in unusual circumstances (such as illness). The appointment of the Chairman and the designation as Vice-Chairman shall be for such term as the Trustees decide. The title of Vice-Chairman would not imply that the individual concerned is the Chairman-elect.</p>	<p>Some commentators have urged the Trustees to separate the roles of the CEO and the IASB Chair, so as to preserve the independence of the organisation. The CEO is increasingly dealing with political issues which might impinge on the independence of the IASB and the two roles are so busy that one person serving both functions only serves to detract from both.</p> <p>Trustees may wish to consider the points made.</p>	<p>There are a couple of issues that merit Trustee consideration—one related to the appointment of a vice chairman and one related to a general governance question.</p> <p>First, the Trustees may wish to create flexibility in the Constitution regarding the requirement to have a Vice Chairman or the ability to have possibly two Vice Chairmen.</p> <p>If there weren't a formal Vice Chairman, the Trustees may wish to give the Chairman the authority to appoint a Chairman pro tempore to run meetings in the Chairman's absence.</p> <p>Second, a number of commentators have</p>

		remarked that the roles of the Chairman of the IASB and the CEO of the IASC Foundation should be separated. The Trustees may wish to consider the merits of that case.
Section 31 Members of the IASB shall be appointed for a term of up to five years, renewable once. The Trustees shall develop rules and procedures to ensure that the IASB is, and is seen to be, independent, and, in particular, on appointment, full-time members of the IASB shall sever all employment relationships with current employers and shall not hold any position giving rise to economic incentives which might call into question their independence of judgement in setting accounting standards. Secondments and any rights to return to an employer would therefore not be permitted. Part-time members of the IASB would not be expected to sever all other employment arrangements.	No change is recommended. This section is particularly important given the nature of the comments received to date. It is appropriate to leave such internal management and employment matters to the Trustees.	No change is necessary.
Section 32 The terms of appointment of members of the IASB shall be staggered so that not all members retire at once. To accomplish this, the Trustees shall consider initial terms of three years for some members, four years for others and a full five years for the remaining initial members.	A number of commentators as part of this review and previously have commented on the appropriateness of the length of IASB member terms. The primary concern is that there appears to be a “default” position of guaranteeing ten years for IASB members. However, to keep the IASB in touch with practical developments, there is a need for reasonable turnover. The Trustees, as part of their strategy review, also discussed the impact of the two five-year term system on the	<p>The Trustees should consider whether there are alternatives to the existing arrangements and whether they would enhance the effectiveness of the IASB.</p> <p>Clearly, the Trustees would need to honour the contractual obligations of existing IASB members, but future IASB members could be subject to a changed system. Possibilities previously mentioned include:</p>

	IASB.	<ul style="list-style-type: none"> • Three year terms, with the possibility of a two renewals. • Two four-year terms • Non-renewable terms of a particular length (they would need to be sufficiently lengthy to facilitate appointments)
Section 33 Full-time and part-time members of the IASB shall be remunerated at rates commensurate with the respective responsibilities assumed: such rates shall be determined by the Trustees. Expenses of travel on IASB business shall be met by the IASC Foundation.	<p>No change is recommended. This section is particularly important for the effective operation of the IASB.</p> <p>It is appropriate to leave such internal management and employment matters to the Trustees.</p>	No change is necessary.
Section 34 The IASB shall meet at such times and locations as it determines: meetings of the IASB shall be open to the public, but certain discussions (normally only about selection, appointment and other personnel issues) may be held in private at the discretion of the IASB.	<p>This is a standard provision and no change is recommended.</p> <p>It is appropriate to leave such internal management to the IASB.</p>	No change is necessary.
Section 35 Each member of the IASB shall have one vote. On both technical and other matters, proxy voting shall not be permitted nor shall members of the IASB be entitled to appoint alternates to attend meetings. In the event of a tied vote, on a decision that is to be made by a simple majority of the members of the IASB present at a meeting in person or by telecommunications, the Chairman shall have an additional casting vote.	This is a standard provision and no change is recommended.	No change is necessary.
Section 36 The publication of an exposure	This section has recently been amended in the	No change is necessary.

<p>draft, or an International Financial Reporting Standard (including an International Accounting Standard or an Interpretation of the International Financial Reporting Interpretations Committee) shall require approval by nine members of the IASB, if there are fewer than 16 members, or by ten members if there are 16 members. Other decisions of the IASB, including the publication of a discussion paper, shall require a simple majority of the members of the IASB present at a meeting that is attended by at least 60 per cent of the members of the IASB, in person or by telecommunications.</p>	<p>Part I constitutional review. No change is recommended.</p>	
<p>Section 37 The IASB shall:</p> <p>(a) have complete responsibility for all IASB technical matters including the preparation and issuing of International Accounting Standards, International Financial Reporting Standards and exposure drafts, each of which shall include any dissenting opinions, and final approval of Interpretations by the International Financial Reporting Interpretations Committee;</p> <p>(b) publish an exposure draft on all projects and normally publish a discussion document for public comment on major projects;</p> <p>(c) have full discretion in developing and pursuing the technical agenda of the IASB and over project assignments on technical matters: in organising the conduct of its work, the IASB may outsource detailed research or other work</p>	<p>Trustees specifically sought feedback on the due process procedures of the IASB and the recent changes to the Due Process Handbook.</p> <p>In addition, Trustees asked for comments on a proposed fast track process. With regard to the fast track process please refer to section 15 above.</p> <p>Please see the comments at section 12 above. They relate to this section too. Concern was expressed that the IASB does take all feedback into account. Accordingly, Trustees are urged to take greater control of the oversight and ensure that the IASB responds to feedback. In addition, if the comments from an exposure draft result in the conclusion that matters have not been sufficiently understood then the</p>	<p>The large majority of concerns expressed by stakeholders relate to how the IASB takes into account the views of interested parties. Some of the concerns could be reflected in an enhancement of the Due Process Handbook, while others are issues related to oversight.</p> <p>Some have pointed out that the Trustees have now approved the requirement for post-implementation reviews, feedback statements, and effect analyses. While these could be added to the Constitution, staff recommends leaving them to the Due Process Handbook.</p>

<p>to national standard-setters or other organisations;</p> <p>(e) consider holding public hearings to discuss proposed standards, although there is no requirement to hold public hearings for every project;</p> <p>(f) consider undertaking field tests (both in developed countries and in emerging markets) to ensure that proposed standards are</p> <p>(d) (i) establish procedures for reviewing comments made within a reasonable period on documents published for comment,</p> <p>(ii) normally form working groups or other types of specialist advisory groups to give advice on major projects,</p> <p>(iii) consult the Standards Advisory Council on major projects, agenda decisions and work priorities, and</p> <p>(iv) normally issue bases for conclusions with International Accounting Standards, International Financial Reporting Standards, and exposure drafts; practical and workable in all environments, although there is no requirement to undertake field tests for every project; and</p> <p>(g) give reasons if it does not follow any of the non-mandatory procedures set out in (b), (d)(ii), d(iv), (e) and (f).</p>	<p>Trustees should be empowered to compel the IASB to re-expose the draft, with sufficient explanation.</p> <p>Commentators from Australia and New Zealand also urged the incorporation of a provision to prevent mandatory retrospective application of new or revised standards, since in those jurisdictions it is prohibited.</p> <p>Commentators also urged the Trustees to take greater control of the agenda setting process. Some recommended that the Monitoring Board should have a greater oversight function over the IASB. Others recommended that IFRIC and the SAC should play a greater role in overseeing the IASB, its due process and agenda setting.</p> <p>These comments raise fundamental policy decisions for the Trustees to bear in mind. In some regard, this level of detail is inappropriate for the constitution, and better suited to the Due Process Handbook.</p> <p>Conclusions are reached on the basis that Trustees do not wish to alter the independence of the IASB and wish to keep the SAC, IFRIC and the Monitoring Board separate from the IASB and the running of the IASC Foundation.</p> <p>Consequently, no changes are recommended to the constitution document. However, the</p>	
--	---	--

	Trustees need to consider how, if at all, the Due Process Handbook may require amendment.	
Section 38 The authoritative text of any exposure draft or International Accounting Standard or International Financial Reporting Standard or draft or final Interpretation shall be that published by the IASB in the English language. The IASB may publish authorised translations or give authority to others to publish translations of the authoritative text of exposure drafts and International Accounting Standards and International Financial Reporting Standards and draft and final Interpretations.	Commentators urged publication of documentation and exposure drafts in different languages to aid due process and consultation. However, given that this depends heavily on resources and policy decisions, it would not be appropriate to include such detail in the constitution.	No change is necessary.
International Financial Reporting Interpretations Committee Section 39 The International Financial Reporting Interpretations Committee shall comprise fourteen voting members, appointed by the Trustees under Section 15(b) for renewable terms of three years. The Trustees shall select members of the Committee so that it comprises a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and	This section did not raise any major comments. However, related to commentators concerns relating to the due process and governance of the organisation, some said that powers of IFRIC should be enhanced to provide more consultation and feedback to the IASB. Notwithstanding this recommendation, this level of detail is not appropriate for a constitutional document. Accordingly no changes are recommended.	No changes necessary.

market experience in the practical application of International Financial Reporting Standards (IFRSs) and analysis of financial statements prepared in accordance with IFRSs. Expenses of travel on Committee business shall be met by the IASC Foundation.		
Section 40 The Trustees shall appoint a member of the IASB, the Director of Technical Activities or another senior member of the IASB staff, or another appropriately qualified individual, to chair the Committee. The Chair has the right to speak to the technical issues being considered but not to vote. The Trustees, as they deem necessary, shall appoint as non-voting observers representatives of regulatory organisations, who shall have the right to attend and speak at meetings.	No changes are recommended. This relates to the internal operation of the IFRIC and should remain unchanged.	No changes necessary.
Section 41 The Committee shall meet as and when required and ten voting members present in person or by telecommunications shall constitute a quorum: one or two IASB members shall be designated by the IASB and shall attend meetings as non-voting observers; other members of the IASB may attend and speak at the meetings. On exceptional occasions, members of the Committee may be allowed to send non-voting alternates, at the discretion of the Chair of the Committee. Members wishing to nominate an alternate should seek the consent of the Chair in	No changes are recommended.	No changes necessary.

advance of the meeting concerned. Meetings of the Committee shall be open to the public, but certain discussions (normally only about selection, appointment and other personnel issues) may be held in private at the Committee's discretion.		
Section 42 Each member of the Committee shall have one vote. Members vote in accordance with their own independent views, not as representatives voting according to the views of any firm, organisation or constituency with which they may be associated. Proxy voting shall not be permitted. Approval of draft or final Interpretations shall require that not more than four voting members vote against the draft or final Interpretation.	No concerns have been raised and no changes are recommended.	No changes necessary.
Section 43 The Committee shall: (a) interpret the application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and provide timely guidance on financial reporting issues not specifically addressed in IASs and IFRSs, in the context of the IASB <i>Framework</i> , and undertake other tasks at the request of the IASB; (b) in carrying out its work under (a) above, have regard to the IASB's objective of working actively with national standard setters to bring about convergence of national accounting standards and IASs and IFRSs to high quality solutions;	No concerns have been raised and no changes are recommended.	No changes necessary.

<p>(c) publish after clearance by the IASB draft Interpretations for public comment and consider comments made within a reasonable period before finalising an Interpretation; and</p> <p>(d) report to the IASB and obtain the approval of nine of its members for final Interpretations.</p>		
<p>Standards Advisory Council</p> <p>Section 44 The Standards Advisory Council, whose members shall be appointed by the Trustees under Section 15(b), provides a forum for participation by organisations and individuals, with an interest in international financial reporting, having diverse geographical and functional backgrounds, with the objective of:</p> <p>(a) giving advice to the IASB on agenda decisions and priorities in the IASB's work,</p> <p>(b) informing the IASB of the views of the organisations and individuals on the Council on major standard-setting projects and</p> <p>(c) giving other advice to the IASB or the Trustees.</p>	<p>The effectiveness of the SAC has been repeatedly raised as issues by commentators. To a great extent, the newly constituted SAC is a direct response to the concerns raised. Because of the relative newness of this SAC, it is difficult to assess whether the Trustees have been effective in addressing the concerns.</p> <p>Indeed, many commentators to the discussion paper noted that exact point. Accordingly, many said that they would reserve their position until a later date.</p> <p>It should be noted that many commentators commended the IASC Foundation for strengthening and improving this valuable stakeholder consultation forum. Those from the investor community expressed their appreciation for the creation of an investor sub-group in the SAC to allow for better engagement with the investor community.</p> <p>On the whole, most commentators were of the opinion that the current terms of reference and professional background requirements for the SAC are acceptable and achieve the SAC's</p>	<p>Staff believes that it would be premature to make significant reforms of the SAC currently. The new SAC seems to have started well, and despite its size has provided constructive input to the IASB, particularly in formulating its financial crisis response.</p> <p>At the same time, the Trustees are providing greater staff resources to the SAC and should monitor the body's effectiveness.</p>

	<p>objectives and that it is appropriate for the Trustees to continue to monitor and review the SAC's effectiveness. However, (without the basis of the experience of the new body, one or two commentators felt that the SAC is not functioning as intended and that, as a consequence, a considerable number of professional accountants and practitioners should be added to the presently constituted SAC.</p> <p>Some European commentators tied their concerns with the governance and due process of the organisation to the role of the SAC, and therefore suggested that the SAC should play a greater role in the governance of the organisation. One commentator said that the SAC should be modified to act as an extended arm of the Trustees to improve governance and due process. Related to this were the following recommendations:</p> <ul style="list-style-type: none"> • That the SAC should play an enhanced role in providing relevant consultation and feedback to the IASB when setting its agenda and the IASB should provide feedback to the SAC. • The IASC Foundation should make greater use of formal polls to indicate the extent of support for the IASB's proposals. • The Trustees were urged to take account of the key issues raised at the 	
--	--	--

	<ul style="list-style-type: none"> • The SAC should be required to draw up the IASB work programme rather than just monitor it. <p>Other European commentators made the following comments:</p> <ul style="list-style-type: none"> • To remain efficient no more than 30 should be on SAC. As such the currently constituted SAC is too large; • The SAC has too few meetings; • The SAC requires more guidelines concerning meetings and needs clarity as to how the IASB integrates the suggestions made by SAC or why. • The SAC agenda should be prepared by a restricted committee so that it focuses on a limited number of strategic issues. Supplementary educative sessions could be organised for those SAC members who wish to attend and preparatory documents should be prepared in advance. • The SAC should be granted a minimum level of independent resources. 	
Section 45 The Council shall comprise thirty	Trustees sought feedback on the present and	See above.

<p>or more members, having a diversity of geographical and professional backgrounds, appointed for renewable terms of three years. The Chairman of the Council shall be appointed by the Trustees, and shall not be a member of the IASB or a member of its staff. The Trustees shall invite the Chairman of the Council to attend and participate in the Trustees' meetings, as appropriate.</p>	<p>professional background requirements of the SAC.</p> <p>Commentators were largely content with the current composition, although some expressed concern that the SAC was too large to operate effectively.</p> <p>Trustees should consider whether the size of the SAC is optimal, given the need for it to be representative. If not then a change may be required.</p> <p>Some commentators said that a considerable number of professional accountants and practitioners should be added to the presently constituted SAC. However, this concern would not merit any change to this section. It relates to policy matters that rest with the Trustees.</p> <p>There is no need for changes to this section. The recent changes to the membership of the SAC, such that they represent organisations rather than being composed of individuals, are still permissible within the current wording.</p>	
<p>Section 46 The Council shall normally meet at least three times a year. Meetings shall be open to the public. The Council shall be consulted by the IASB in advance of IASB decisions on major projects and by the Trustees in advance of any proposed changes to this constitution.</p>	<p>Trustees sought feedback on this section.</p> <p>Once again, many European commentators tied their concerns with the governance and due process of the organisation to the role of the SAC, and therefore suggested that the</p>	<p>No change is necessary.</p>

	<p>SAC should meet more often.</p> <p>Commentators also recommended that the SAC should make greater use of formal polls to indicate the extent of support for the IASB's proposals</p> <p>Some said that the SAC agenda should be prepared by a restricted committee so that it focuses on a limited number of strategic issues.</p> <p>None of the above points require an amendment to the section.</p>	
<p>Chief Executive and staff</p> <p>Section 47 As provided under Section 24, the Chairman of the IASB shall also be the Chief Executive of the IASC Foundation, and shall be subject to supervision by the Trustees.</p>	<p>Some commentators said that the constitution should refer to the attributes required of senior IASB staff, and the procedures for appointments, including the need to advertise posts externally. However, such level of detail is really not appropriate for a constitutional document. It is correct to leave such administrative matters to the Trustees for decision. No change is recommended.</p>	<p>Any changes related to this section will be based on the Trustees' judgment regarding the governance issues raised above.</p>
<p>Section 48 The Chief Executive shall be responsible for the staffing of the IASB, which shall include a Director of Technical Activities appointed by the Chief Executive in consultation with the Trustees: the Director of Technical Activities, while not a member of the IASB, shall be entitled to participate in the debate but not to vote at meetings of the IASB and the International Financial Reporting Interpretations Committee.</p>	<p>It is correct to leave such administrative matters to the Trustees for decision. No change is recommended.</p>	<p>The Trustees may wish to consider whether it would be useful to add flexibility regarding job titles and to determine whether it would be useful to say that the appointment of senior staff is at the discretion of the IASB Chairman, in consultation with the Trustees.</p>

<p>Section 49 A Director of Operations and a Commercial Director shall also be appointed by the Chief Executive in consultation with the Trustees. They shall have responsibility for publications and copyright, communications, administration, and finance under the supervision of the Chief Executive and for fundraising under the supervision of the Trustees.</p>	<p>No change is recommended.</p> <p>Commentators were asked to provide feedback on the funding regime of the organisation. Many encouraged Trustees to move towards a long-term sustainable regime. This relates to Trustee policy and no changes to the constitution are necessary or recommended.</p>	<p>Same as above.</p>
<p>Administration</p> <p>Section 50 The administrative office of the IASC Foundation shall be located in such location as may be determined by the Trustees in accordance with Section 13(d).</p>	<p>This is a standard section. It is correct to leave such administrative matters to the Trustees for decision. No change is recommended.</p>	<p>No change is necessary.</p>
<p>Section 51 The IASC Foundation shall be a legal entity as determined by the Trustees and shall be governed by this constitution and by any laws which apply to such legal entity, including, if appropriate, laws applicable because of the location of its registered office.</p>	<p>This is a standard section. It is correct to leave such administrative and legal matters to the Trustees and the law of the land. No change is recommended.</p>	<p>No change is necessary.</p>
<p>Section 52 The IASC Foundation shall be bound by the signature(s) of such person or persons as may be duly authorised by the Trustees.</p>	<p>This is a standard section. It is correct to leave such administrative matters to the Trustees. No change is recommended.</p>	<p>No change is necessary.</p>