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

**INFORMATION FOR OBSERVERS**

**IFRS Foundation Trustees Meeting, Seoul 13 October 2010**

**AGENDA PAPER 8A****M E M O R A N D U M**

**To:** Due Process Oversight Committee

**From:** Tamara Feldman

**Date:** 20 September 2010

**Re:** *Joint meeting with the IASB and the Due Process Oversight Committee  
13 September 2010*

On 13 September 2010 the IASB met with the Due Process Oversight Committee. The following topics were the subject of discussion:

- Status of Convergence
- Update on the IAS 37 Complaint
- IASB Annual Improvements Project and Review
- Trustees Strategic Review
- Review of the IFRS Interpretations Committee
- Oversight Effectiveness Review
- IASB Public Broadcast
- Chairmanship of the Due Process Oversight Committee

*Status of Convergence*

Sir David said that at present there are only three critical topics that remain outstanding. These include:

- Fair Value Measurement;
- Pensions
- Revenue Recognition

Completion of these topics should occur by the target set out in the Memorandum of Understanding (MoU) between the IASB and the US Financial Accounting Standards Board (FASB).

The Trustees said that the IASB must continue to progress the work in order to achieve the target set in the MoU.

There was general discussion concerning the perceived trade off between timeliness and quality of the IFRSs. This issue continues to arise in the joint discussions with the FASB. The IASB and the Trustees believed that while it is necessary to consult properly, there is no direct correlation between the time take and quality.

#### *Update on the IAS 37 Complaint*

The Board is going to consider this matter at a public meeting on 15 September 2010 and will provide a full report to the Due Process Oversight Committee for onward reporting to the Trustees at their meeting in October in Korea.

#### *IASB Annual Improvements Project and Review*

Proposed improved criteria have been drawn up and sent out for consultation. The consultation process commenced on 31 August 2010 and the closing date is 30 November 2010. A full report will be drawn up once the comments have been analysed. The Due Process Oversight Committee will receive an update in January 2011 and the Trustees will receive a report at their meeting in February 2011.

#### *Trustees Strategic Review*

Mr. Padoa-Schioppa said that the Trustees are carrying out a strategic review of the direction, considering the next five to ten years. The review would consider four main topics:

- Mission
- Governance
- Process and
- Financing.

The Monitoring Board (MB) is also carrying out its own review at the same time.

Mr. Padoa-Schioppa noted that there is a great emphasis on the governance of the IFRS Foundation due to the MB's review. The main test of success is how the Foundation fulfills its mission, which is to create high quality international accounting standards which are internationally adopted. Mr. Padoa-Schioppa said that if the mission is fulfilled then the governance of the Foundation will not be such a key issue.

Mr. Padoa-Schioppa said that the Trustees intend to discuss these matters thoroughly in October and in going forward. The review is likely to be concluded in the first half of 2011.

#### *Review of the IFRS Interpretations Committee*

Mr. Vegezzi said that a questionnaire would be drawn up which would be circulated to all relevant stakeholders and would also be included on the IFRS Foundation's website. The replies would be analysed and submitted to the Trustees for consideration in early 2011.

### *Oversight Effectiveness Review*

Mr. Vegezzi said that a Framework document had been attached to the papers and explained how the Committee intended to carry out its review, by benchmarking the due process procedures of the Foundation against similar bodies and organisations around the world. He said that high level informal meetings would be held in order to ascertain differences in procedure and to obtain feedback. In addition, the Foundation's key stakeholders, including the members of the MB would be consulted.

Mr. Vegezzi said that the review encompasses effectiveness of Trustees, transparency and communication. He said that the three principles of the Framework will be the guide to the review.

It was agreed that bench marking should also be carried out with a number of national standard-setters and securities regulators.

Sir David said that outreach feedback would also be enormously valuable.

### *IASB Public Broadcast*

Mr Vegezzi said that staff and Board members alike should continue to ensure that good quality broadcasts were being delivered.

### *Chairmanship of the Due Process Oversight Committee*

Mr Vegezzi said that he would be stepping down from the Board of Trustees in December 2010 and that a new Chair would need to be appointed to take on the mantle of the Due Process Oversight Committee. He said that he expected the Trustees would make a decision as to his successor in October, at which point the decision would be communicated to all concerned.