

Summary of the conclusions of the IFRS Foundation Trustees' meeting

April 2012, London

Welcome and Introduction of new Trustees and Senior staff Members

Michel Prada, Chairman of the Trustees, opened the meeting by welcoming the three Trustees attending their first meeting: Ronald Arculli, C. B. Bhavé and James Quigley. Mr Prada then introduced Yael Almog, Executive Director, and David Loweth, Director for Trustee Activities who were also attending their first meeting.

Trustees' Strategy Review

Mr Prada commented on his efforts in recent months to co-ordinate the report of the Trustees' Strategy Review with that of the Monitoring Board. He noted that Masa Kono, acting Chairman of the Monitoring Board, had been particularly helpful in facilitating a good solution.

Mr Prada spoke of his recent visits to Brussels and the US and forthcoming visits to China and Japan in May. During his time in Asia, he will attend the IOSCO conference in Beijing. Mr Prada reflected on the importance of strengthening the Foundation's ties to IOSCO when considering its strategic position.

Regional outreach activity

As part of the Trustees' meeting, the Trustees and leadership of the IASB met with a number of UK and other European key stakeholders to discuss IFRSs, their application and other matters of significance.

Report of the Nominating Committee

Since the last meeting of the Trustees, Ronald Arculli, C. B. Bhavé and James Quigley had been appointed as Trustees of the IFRS foundation. In addition, the Trustees acknowledged the recent appointment of Chungwoo Suh as a member of the IASB for an initial five-year term from 1 July 2012 and renewable for a further three-year term.

Asia-Oceania office

The Trustees were provided with an update on the opening of the Asia-Oceania office in Tokyo, which is scheduled for October 2012. A Memorandum of Understanding has been signed by the Japanese Financial Accounting Standards Foundation and the Chairman of the Trustees to cover funding for the establishment of the office. Some key staffing roles have been agreed, while good progress has been made on providing infrastructure and on making arrangements for the opening of the office.

Trustee meetings for 2013

The Trustees agreed to hold four meetings in 2013. The meetings will be held in Hong Kong, New York, South Africa and Germany.

Report of the Chairman of the IASB

Mr Hans Hoogervorst, Chairman of the IASB, provided the Trustees with an update on the Board's activities. There have been some delays on the major convergence projects, and the Chairman offered two main reasons for this: firstly, that there had been requests from stakeholders to slow

the process down and secondly that the time frames that had been aimed for at the outset of the convergence project had been too optimistic.

The Chairman reported that the most progress had been made on Revenue Recognition, which had the potential to become a fully converged project.

On Financial Instruments, the Boards had diverged on several issues in the past, but progress had been made in this area. Agreement had been reached on the main principles for the new impairment part of the standard, but it was possible that there would not be complete convergence.

Work continues on the Classification and Measurement project, on which Mr Hoogervorst reported that there was a good chance that the two boards would come closer together. The IASB-only Hedge-accounting project had seen its deliberations concluded. A draft document is due to be issued for fatal flaw comment for 90 days, and the standard will then be issued later in the year.

On Insurance Contracts, the Chairman reported that the IASB and FASB were at different stages. Common decisions had been reached on some points but not on all. From now on, the boards will work on their own separate documents. The Trustees heard that industry stakeholders and investors are particularly keen for this standard to be finalised, even at the expense of full convergence, because of the significant lack of comparability across jurisdictions.

The Chairman explained to the Trustees that the Leases project is a cause for concern. The Trustees were told that differences between the two boards are yet to be resolved and a final standard is unlikely to be completed until well into 2013, with the next step scheduled to be an exposure draft later this year.

The Chairman updated the Trustees on the future agenda of the IASB and on the initial feedback received from the agenda consultation. He noted that given the very open question that had been posed to constituents about the way forward, it was remarkable that very similar advice had been received from around the world. The main area of consensus was a request for a period of calm. The Chairman added that many respondents asked for the new version of the Conceptual Framework to be finished, and for more work to be done on Other Comprehensive Income and disclosures. The Chairman added that there were also calls for new IFRS projects dealing with issues such as Agriculture and Foreign Currency to be added to the agenda.

Report of the Due Process Oversight Committee (DPOC)

The Chairman of the DPOC, Mr David Sidwell, updated the Trustees on the development of the *Due Process Handbook*, the protocol that the DPOC could use when providing oversight on behalf of the Trustees, and the metrics that could be used to demonstrate to the DPOC that due process had been followed. The DPOC is encouraged by proposals to enhance the project pages of the IASB website. The reporting phase of the proposals could be used to demonstrate to the Trustees that due process had been followed.

The Committee will invite comments on the new Handbook from the full group of Trustees before releasing the document for public comment in May 2012.

The DPOC has undertaken a number of discussions on the review of the effectiveness of the IFRS Interpretations Committee. The Trustees were given a summary of the review and its findings and were invited to approve the issue of the report of the review, to which all agreed.

The DPOC has continued the dialogue on how to conduct post-implementation reviews. The Chairman noted that there was a good relationship with the FAF team working on this issue in the US. The Committee will oversee the incorporation of post-implementation reviews into the *Due Process Handbook* and the DPOC protocol.

Mr Sidwell reported that work had been conducted on a proposal aimed to ensure that Consultative Groups were effective and had appropriate membership. The Committee has noted that in some cases, more targeted groups would be more appropriate.

Finally, the DPOC had also looked at the remaining action points on the Trustees' Strategy Review and is comfortable that the remaining steps will be completed by the end of the year.

Report of the Education & Content Services Committee

Mr Jeffrey Lucy presented the report of the Education and Content Services Committee. The Trustees heard that the plan for 2012 was progressing well, that a survey on the effectiveness of IFRS conferences had been undertaken.

In the report on Content Services, the Trustees heard that work was continuing on efforts to reconcile our legal relationship with jurisdictions that are adopting IFRS to ensure that the right structures are in place to facilitate translations. The Trustees were told that significant progress had been made in this regard. Further attention will be given to this matter in the Trustees' meeting in July.

Improvements to the publications section of the website are in progress. The Trustees were also informed that the staff have been asked to consider the possibility of enhancing the organisation's relationship with the World Bank.

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