

Summary of the conclusions of the IFRS Foundation Trustees' meeting

January 2012, Singapore

Introduction by Michel Prada, Chairman of the Trustees

The Trustees' meeting was chaired by Michel Prada, who became Chairman of the IFRS Foundation Trustees in January 2012. Mr Prada offered his initial observations on the important work of the Trustees and of the International Accounting Standards Board (IASB) to establish International Financial Reporting Standards (IFRSs) as the globally accepted language of financial reporting. An introductory article by Mr Prada on this topic has been posted on the homepage of the IFRS website at www.ifrs.org.

Progress towards global adoption of IFRSs

The Trustees reviewed progress towards the G20-endorsed goal of global accounting standards through widespread international adoption of IFRSs. Companies in more than 100 countries, including most G20 members, already require or permit the use of IFRSs.

The Trustees welcomed the signing into law of a decision by the Russian Federation, the sixth largest economy in the world measured by GDP, to adopt IFRSs in full for all listed companies.

While disappointed by the fact that it was not possible for the US Securities and Exchange Commission (SEC) to decide, as expected originally, on the process towards incorporation of the IFRS in The US, the Trustees welcomed a statement from staff of the US SEC that a decision on the incorporation of IFRSs into the US financial reporting regime would be made in the first few months of 2012.

Report of the Due Process Oversight Committee (DPOC)

The Chairman of the DPOC, David Sidwell, reported on its meeting with the leadership and directors of the IASB. At the meeting, the DPOC reviewed due process matters related to projects on the IASB's active agenda.

The DPOC also reviewed the methodology the IASB intends to apply when completing post implementation reviews, the ongoing review of the effectiveness of the IFRS Interpretations Committee and the development of a protocol for use by the DPOC. Finally, the DPOC reviewed correspondence with third parties and agreed an enhanced procedure that provides greater transparency for such correspondence.

Report of the Nominating Committee

The Chairman of the Trustees' Nominating Committee, Robert Glauber, welcomed the approval by the Monitoring Board of the appointment of Marco Onado and Yong Li to serve as Trustees. The Monitoring Board also approved the recommendation to reappoint Clemens Börsig (Europe), Scott Evans (North America), Robert Glauber (North America) and Noriaki Shimazaki (Asia-Oceania) to serve second, three-year terms as Trustees.

The Committee approved the reappointment of Steven Cooper and Wei-Guo Zhang, members of the IASB, to serve second, five-year terms.

The Committee expressed their thanks to Paul Pacter for agreeing to serve as a member of the IASB for a further six months, to allow sufficient time for his successor to be appointed.

Regional outreach activity

The Trustees and leadership of the IASB met with the Singapore Accounting Standards Council (ASC) and senior members of the Singapore business community to discuss Singapore's progress towards adoption of IFRSs. The Trustees and the ASC issued a statement shortly after the meeting, which is available by [clicking here](#).

The meeting participants attended a dinner jointly hosted by the Trustees and the ASC, which was addressed by Mrs Josephine Teo, Minister of State for Finance and Transport.

Report of the Chairman of the IASB

The Chairman of the IASB, Hans Hoogervorst, provided an update on the work of the IASB since the October 2011 Trustees' meeting in Paris. He reported that the current work programme remains focused on working with the FASB on completing the remaining convergence projects, which are financial instruments, revenue recognition and leasing, as well as a further joint project of insurance contracts.

On financial instruments, he reported that the boards had issued disclosure requirements to bridge different approaches in IFRSs and US GAAP to the offsetting of financial instruments. He reported that the boards have made significant progress on a common set of principles for the impairment of financial instruments. On classification and measurement, he reported that the IASB had received almost unanimous support for the decision to defer the mandatory effective date of IFRS 9 *Financial Instruments* until 2015. Furthermore, the IASB has announced its intention to conduct a limited-scope review of IFRS 9 to address its interaction with a new insurance standard and to determine whether the IASB's and FASB's approaches can be made to converge. The Chairman noted that some jurisdictions have already adopted IFRS 9, so amendments will be as limited as possible.

On leasing, the Chairman reported that the boards are close to finalising their deliberations to prepare for the publication of a revised exposure draft, which is due for publication during 2012. On revenue recognition, he reported that in November 2011 the boards had published for public comment a revised exposure draft with a comment period of 120 days.

The Chairman reported on the joint work of the IASB and the FASB to develop an internationally consistent approach to the accounting for insurance contracts. He noted the shared desire to achieve a common outcome, but also noted that differences in established practices in different parts of the world have made achieving convergence difficult.

The Chairman provided an update on the IASB's consultation on its future agenda. The comment period has now finished and 230 comment letters have been received.

The Chairman reported that, on the basis of an initial assessment of the responses, constituents have urged the Board to provide for a period of calm, but that the Board should nevertheless consider the role and function of Other Comprehensive Income and completion of the conceptual framework, as well as considering some specific requests from some members of the IFRS community. A public round-table discussion on the IASB's future agenda was held in Singapore on 13 January 2012 and further round-table discussions are being scheduled to take place elsewhere during 2012.

The full report of the Chairman of the IASB is available to download by [clicking here](#) [zip file of papers].

Completion of the strategy review

The Trustees' Executive Committee discussed the status of the strategy review. The report is being finalised and the Trustees are seeking to coordinate the actions resulting from the strategy review with the Monitoring Board's own governance review. In anticipation of these discussions, the Trustees have begun to develop a work plan that summarises the implementation of the actions resulting from the review so that implementation can proceed shortly after the conclusions are finalised.

Many of the actions relate to the important work being done by the DPOC. The strategy review recognises the importance of consistent application of the standards and recommends appropriate mechanisms for integrating national standard-setters and regional bodies into the activities of the IASB.

The Trustees are in dialogue with the Monitoring Board regarding the co-ordination of the actions resulting from their respective reviews.

Asia-Oceania satellite office

The Trustees confirmed that the first IFRS Foundation office outside London will open in Tokyo in October 2012. The office will serve as a base for local Foundation staff and will provide resources for outreach activities across the Asia-Oceania region. Trustees approved staff proposals for the resourcing of the office. Further details are available by [clicking here](#).

Education committee

The Trustees reviewed a staff paper that described possible ways in which the IASB, through its education and other activities, can help to encourage greater consistency in the international application of IFRSs.

The Trustees agreed to expand the charter of the Trustees' education and content services committees to play a greater role in the oversight of consistent application of the standards.

Other administrative matters

The Trustees approved minor modifications to the IFRS Foundation by-laws to reflect the establishment of the role of Executive Director of the Foundation and the decision to introduce staggered terms for appointments and reappointments to the IFRS Advisory Council.

The audio recording of the public session of the IFRS Foundation Trustees' meeting can be accessed by [clicking here](#).

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