

STAFF PAPER

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IASB

Project	Due Process
Paper topic	Market and Prudential Regulators
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Background

1. The proposed new Due Process Handbook states:

Securities and other regulators

- 3.53 The IASB is responsible for developing global financial reporting standards that are enforceable.
- 3.54 To achieve this it is important that the IASB maintains a dialogue with securities regulators. Such a dialogue is normally undertaken by establishing regular meetings with such regulators. In addition, the Interpretations Committee has the right to invite members of securities regulatory bodies to act as official observers to its meetings.
- 3.55 Financial information prepared in accordance with IFRSs is used by other regulators, including prudential supervisors and taxation authorities. The IASB develops IFRSs to improve the transparency and integrity of financial statements. The confidence of all users of financial statements in the transparency and integrity of those statements is critically important for the effective functioning of capital markets, efficient capital allocation, global financial stability and sound economic growth.
- 3.56 The IASB is aware that prudential supervisors rely on financial reports for some of their functions. To assist prudential supervisors, the IASB keeps an enhanced dialogue with such authorities, particularly through the Financial Stability Board and the Bank of International Settlements.

2. The purpose of this paper is to provide the IASB with a summary of activities undertaken during the last 12 months that support an active dialogue with market and prudential regulators.

Group **Meetings and interactions**
1 July 2011 to 30 June 2012

Market and securities regulators	1 - 5	6 - 10	11 – 20	21 +
ESMA				✓
IOSCO			✓	
US SEC				✓
Japanese FSA				✓
Chinese Finance Ministry			✓	
Canadian, Australian, Dutch, Malaysian, Portuguese and UK securities regulators	✓			
Prudential regulators	1 - 5	6 - 10	11 – 20	21 +
Basel Accounting Task Force			✓	
Three-way Dialogue	✓			
US Federal Reserve	✓			
Financial Stability Board	✓			
Australian, Brazilian, Dutch, Canadian prudential regulators	✓			
International Association of Insurance Supervisors				✓

3. Many of these activities are informal. The interactions range from telephone discussions on specific accounting matters to more formal meetings with IASB members and senior staff. Many of these regulators also observe or participate in IFRS Interpretations Committee and IFRS Advisory Council meetings.
4. The summary table comes with caveats. The table does not purport to capture all of the interactions we have had with market and prudential regulators. It is likely to understate the level of interaction. The IASB is developing more formal networks and activities and more formal ways to record and report those activities.