

# AGENDA PAPER

IFRS Advisory Council Meeting

LONDON 18 – 19 June 2012

**Agenda ref 6E**

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TOPIC	External involvement in the IASB's standard setting process
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PRESENTER	Patrick Parent
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This paper has been prepared for discussion at a public meeting of the IFRS Advisory Council. The views expressed in this paper are those of the authors. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS.

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## **IOSCO's involvement in the IASB's due process Presentation for June 2012 IFRS Advisory Council meeting**

## IFRS Foundation Advisory Council IOSCO's involvement in the IASB's due process

Patrick Parent  
IOSCO observer  
June 2012  
Meeting



International Organization  
of Securities Commissions

### Trustees willing to develop new interactions with stakeholders

- IOSCO very much welcomes that the Foundation and the IASB want to build on a more intensive relationship with all major stakeholders having responsibilities in the area of accounting
- IOSCO agrees that securities regulators have a key role to play

### **Trustees willing to develop new interactions with stakeholders**

- In general, IOSCO would be happy to play a role in the overall new picture which has been outlined in the reform package of the IFRS Foundation.
- Other players should also be involved to achieve a complete picture for the IASB's daily work.

### **Acceptance of new IFRSs in various jurisdictions is key to the IASB**

- Market regulators have a role to play:
  - They are in a position to give feedback on the acceptance of IFRS and on application problems
  - IOSCO is already playing an important role via the comment letters made on the IASB or IFRS IC projects, and via its participation to the IFRS IC (as an observer) and the IASB working groups.
- However, national standard setters also play an important role in this regard

## Harmonisation of application of IFRS is desirable

- To the Trustees, promoting consistent application of IFRS is key
- IOSCO is in principle open to revisiting how it engages and cooperates with the IASB.

## Harmonisation of application of IFRS is desirable

- First step: clarify the IASB's expectations regarding this feedback:
  - Are the Trustees expecting a full-fledged post-implementation feedback from the securities regulators?
  - Is the expectation more about specific issues which should be raised with the IFRS IC?
  - How much time does the IASB have to invest in these initiatives?

## Harmonisation of application of IFRS is desirable

- Second step: IOSCO consider the IASB's expectations regarding the feedback
  - IOSCO's Committee 1 will discuss the manner of its engagement with the IASB next week.
  - IOSCO's new organisation structure for its Committees, which provides for both emerging and non-emerging market countries to form one Committee, will provide easier access to a wider range of experience and expertise in the application of IFRS around the world.

## Harmonisation of application of IFRS is desirable

- At regional level (Europe), feedback is already in place:
  - Meetings with representatives of the IFRS IC twice a year
  - Application problems formally submitted to the IFRS IC
  - Studies on first application of IFRS 8 performed in 2010-2011
- IOSCO is already involved in similar interactions with the IASB / the IFRS IC:
  - Periodic meetings with the IASB Chair or Board Members
  - In the past, SC 1 and its members have submitted application problems to the IFRS IC