

International Financial Reporting Standards



Accounting Standards Advisory Forum

Formalising and streamlining the IASB's collective engagement with National Standard Setters and regional bodies in its standard setting process

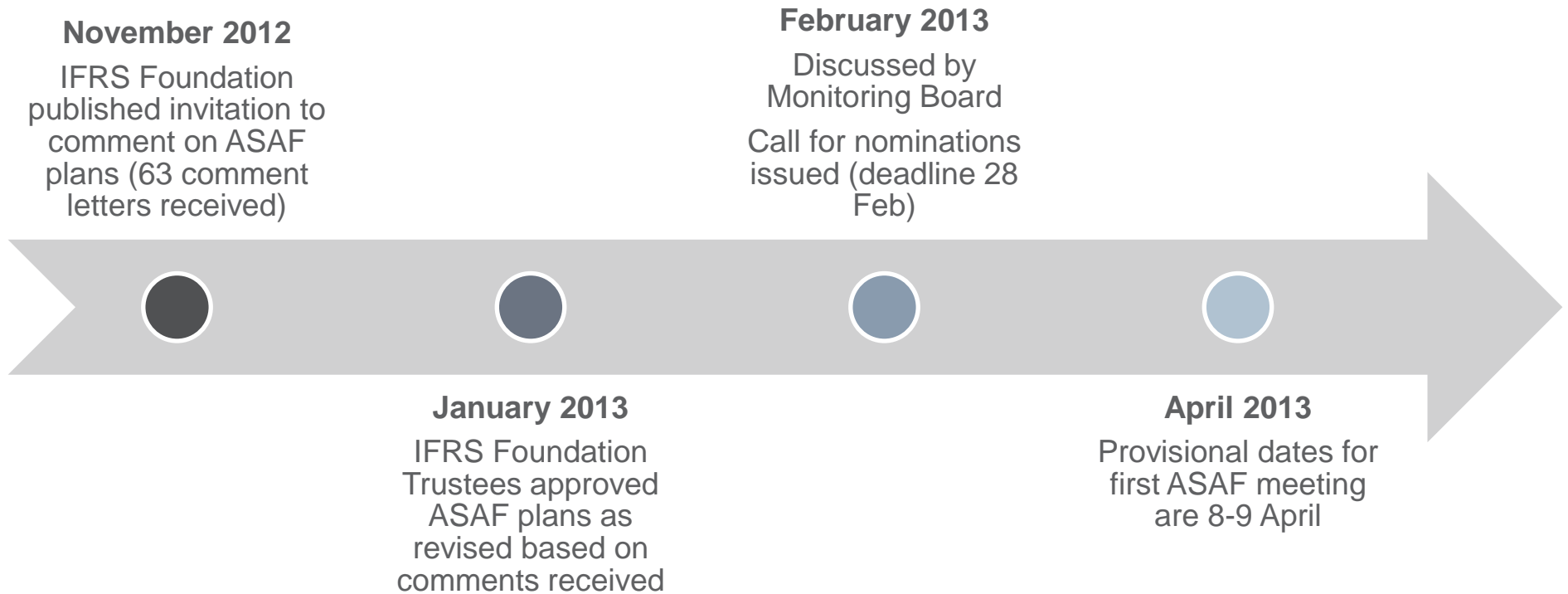
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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.



Comment Letters Main Points (1/2)

- General support for creation of ASAF
- ASAF mandate – requests for:
 - Clarifications
 - Additions
- Proposed commitments of members too broad:
 - Commitment to support the Single Set mission
 - Commitment on Endorsement/adoption of IFRSs
 - Commitment on promoting consistent interpretation/application
- Commitments of IASB should be included

Comment Letters Main Points (2/2)

- Size of the Group – mixed views
- Clarify appointment process
- Condition of membership
 - Extent of use/commitment to IFRSs
 - Capital Market size
- Is this a shadow Board?
- ASAF Chair
- Periodic review of membership is supported

- Revised Papers articulate ASAF Role:
 - Support the Foundation in its objectives and contribute to the development of a single set of global standards
 - Formalise and streamline the IASB's collective engagement with the global community of national standard setters (NSS) and regional bodies in its standard setting issues to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard setting activities are discussed and considered
 - Facilitate effective technical discussion primarily on the IASB's work plan but which may include other issues that have major implication for the IASB's work at a high level of professional capability

Structure and Size

- Forum will be chaired by IASB chair and have 12 other members
- Representation will be organisational, not individual
- Geographic balance:
 - Africa - 1 seat
 - Americas - 3 seats
 - Asia-Oceania - 3 seats
 - Europe (including non-EU) - 3 seats
 - World at large - 2 seats

Memorandum of Understanding

- IFRS Foundation pledges commitments to ASAF members:
 - Transparency, effective communication and logistical/ technical support
- First Commitment:
 - Support the IFRS Foundation in its mission to develop a single set of global standards
- Focus on regionally representative, technical input, **not** application and endorsement/ adoption of standards
- Mutual commitment to respect independence of standard setters and IASB

Membership Criteria

- Candidates must be willing to sign MoU and support its commitments
- Open to all recognised accounting standard setters of countries/ jurisdictions plus AOSSG, EFRAG, GLASS and PAFA*
- Candidates should demonstrate:
 - Necessary technical competence, experience and knowledge of financial reporting issues
 - Scale, degree and expertise of resources available will enable participation as active member, including ability to fund attendance at meetings and devote time to preparation
- Other factors to support nomination include knowledge/ experience of IFRS, contribution to IFRS Foundation/ IASB activities, scale of capital market and how organisation would seek input from and represent NSS in region

* AOSSG = Asian-Oceanian Standard-Setters Group; EFRAG = European Financial Reporting Advisory Group; GLASS = Group of Latin American Standard Setters; PAFA = Pan African Federation of Accountants

Member Selection

- All candidates considered based on geographical balance, membership criteria and other factors mentioned
- Shortlist will be discussed with range of relevant regional and other bodies:
 - Regional groups of NSS eg AOSSG, GLASS
 - In EU it will be coordinated with European Commission
 - PAFA will be consulted on African representation
 - Where no regional groups exist relevant standards setters and bodies will be consulted
- Final selection of members by IFRS Foundation Trustees following advice from IASB

- ASAF is an outreach group, not a constitutional body
- ASAF and Advisory Council
 - both advisory bodies providing advice from perspectives of respective membership
 - However, purpose of ASAF is technical advice, Advisory Council plays strategic role
 - ASAF main focus on standard setting (not implementation and consistent application)
- IFRS Foundation plans to conduct an evaluation after 2 years

Thank you

