

# AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

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AUTHORS Alan Teixeira/David Loweth

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TITLE Consultative Groups: Update and DPOC engagement

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## Introduction

1. The purposes of this paper are to provide updates on a number of consultative groups and on the DPOC's engagement with the IASB's major advisory and consultative bodies.

## Background

2. At its July 2013 meeting, the DPOC considered an annual review of consultative groups that had been prepared by the technical staff (Agenda Paper, AP, 3E for that meeting refers).

## Consultative Groups update

### *Accounting Standards Advisory Forum (ASAF)*

3. The second full meeting of the ASAF was held on 25-26 September. As with the group's first meeting (held in April 2013), the meeting went well, with substantive discussions on disclosure, insurance contracts, leases, accounting for macro-hedging, impairment and the conceptual framework. For this meeting, a number of papers had been prepared by ASAF members for discussion: a think-piece on a disclosure and presentation framework by Kevin Stevenson of the Australian Accounting Standards Board (AASB); and a bulletin prepared by the European Financial Reporting Advisory Group (EFRAG) (together with the four major European National Standard-Setters, NSS) on the issue of prudence.
4. A third meeting of the ASAF is scheduled for 5-6 December.

### *Capital Markets Advisory Committee (CMAC)*

5. At the July meeting, it was noted that, to date, the CMAC has selected its own membership without oversight from the DPOC. Going forward, CMAC's membership distribution across jurisdictions and type of user would be reviewed by the DPOC. On 2 September, a call for CMAC members was issued on the IASB's website, given that the terms of a number of current members expire at the end of 2013. The deadline for responses was 30 September and the intention is that the CMAC will consider applications at its meeting on 17 October. On the basis of the discussion at that

meeting, the IASB plans to bring the proposed membership to the DPOC (via e-mail) for the Committee to review the proposed composition to ensure that there is a satisfactory balance of perspectives.

#### ***Education Advisory Group (EAG)***

6. The EAG held a meeting by conference call on 25 September at which it advised the IFRS Education Initiative on the development of its plan of activities for 2014.
7. Following the discussion by the Trustees' Education and Services Committee at its meeting in April 2013 (AP6B for that meeting), Li Kouqing (*President of Shanghai National Accounting Institute; Director-general of the Asia-pacific Finance and Development Centre*) accepted the IFRS Foundation's invitation to become a member of the Group. As was reported to the DPOC in July, any future appointments to the EAG will only be made after a public call for applications.

#### ***Effects Analysis Consultative Group (EACG)***

8. An update on this group and its work is given in AP 3D for this meeting.

#### ***Shariah-compliant Instruments and Transactions***

9. At its July meeting, the DPOC was informed that a start-up meeting of this group had been held earlier that month, with a group representing Islamic countries and other groups involved in Islamic finance. At this meeting, the DPOC will review an update on the group and be asked for its views on proposed membership.

#### ***XBRL Advisory Council (XAC) and XBRL Quality Review Team (XQRT)***

10. An update on the future of these groups is given in AP 3F for this meeting.

#### **DPOC engagement**

11. As reported previously, the DPOC has discussed how it might enhance its engagement with consultative groups and IFRS Foundation Constitutional bodies (in particular the IFRS Interpretations Committee and the IFRS Advisory Council). The DPOC agreed with Scott Evans' proposal that one member of the DPOC, or David Loweth (on behalf of the DPOC), should attend at least part of a face-to-face meeting of each of the major groups and report back to the Committee to validate the breadth of attendance and an appreciation of the quality of the dialogue.
12. Since the July 2013 meeting, a number of the groups have held meetings. David attended the meeting of the Effects Analysis Consultative Group (EACG) held on 19 July, and the first meeting of the Rate-regulated Activities Consultative Group (RRACG) held on 26 July.

13. The EACG meeting was well attended, although 5 members/observed participated by conference call (which worked more successfully for those participating from North America and Australia than those from South America). The meeting was chaired well (by Alan Teixeira, deputising for Ian Mackintosh), who worked hard to ensure that all participants, including those on the telephone, had opportunities to comment). The focus of the meeting was to consider a draft of an EACG report to the IASB and there was good participation and wide-ranging comments and debate.
14. The RRACG meeting was also well attended (although a small number for half a day only), with two participating by videoconference link (which worked well) and one by telephone. Again, the meeting was chaired well (by Pat McConnell), who allowed for wide ranging and full participation. The papers for this meeting were short and sharp and focused on particular issues. Inevitably, there was some interlinking and overlap between the issues, but the Chair did well to ensure that a structure to the discussions was kept.
15. As noted at previous meetings, Scott intends to attend the first day of the October meeting of the IFRS Advisory Council (as do a number of other Trustees and David). Sheila Fraser plans to observe the November of the Global Preparers' Forum (GPF). At present in the calendar, the following meetings are scheduled:

<b>Group</b>	<b>Date</b>	<b>Location</b>
IFRS Advisory Council	14-15 October (some overlap with the Trustees' Frankfurt meeting), then 24-25 February 2014.	London
IFRS Interpretations Committee	12-13 November, then 29-30 January 2014.	London
CMAC	17 October (clashes with Trustees' meeting)	London
XQRT	22 October	London
XAC	23 October	London
GPF	11 November	London
RRACG	15 November	London
EACG	18 November	London
ASAF	5-6 December, then 3-4 March 2014	London
EEG	16-17 December	Kuala Lumpur