

Project	Emerging Economies Group	
Paper topic	Administrative topics	
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This paper has been prepared by the staff of the IFRS Foundation for discussion at the administrative meeting of the EEG and does not represent the views of the IASB or any individual member of the IASB.

Introduction

1. At our last meeting, I promised to report back to the group on several topics. This paper includes three – a summary of EEG activities to date, the question of additional members to the group, and the question of remote video participation in meetings.

Topic one – EEG Activities

2. I circulated the attached tabular summary of our Day One and Day Two topics a couple of months ago. It reveals a level of involvement by the EEG that is perhaps easy to forget as time passes. I think that I have incorporated all of the suggestions I received, but if there are more, please let me know. I plan to update the summary after our December meeting and have it posted on the EEG section of the IASB website.

Topic two – Should we expand the group’s membership?

3. This has been a concern of mine for some time. Our original membership was a response to the G20’s call for enhanced participation by emerging economies in the IASB’s activities. Given that, we decided to include the G20 member countries that are described as “emerging economies” and added Malaysia in

recognition of their considerable technical contributions to IASB activities. When we last discussed the question of adding members, the Group challenged me to describe the profile of possible new members.

4. I have given that challenge a fair amount of thought and reviewed the IASB's Jurisdiction Profiles. I recommend that we do not take steps to expand our membership for now. I base that recommendation on several observations:
 - (a) Nobody has asked to join, at least that I recall. We have had, again relying on my sometimes-faulty memory, one meeting at which a national standard setter attended in an observer role.
 - (b) Possible member countries are a small group. We do not include developing economies (like many in Africa or Asia) or established economies (like Europe, Japan, or Australia). That leaves perhaps a dozen possible new members.
 - (c) EEG participation demands considerable time and treasure. I think that our current members view that as a worthwhile investment, given the Group's ability to participate in a unique way. However, there are other forums available that have broader participation although not as focused an approach.
 - (d) Our meetings are intimate and allow full participation by all. A larger group would work against that.
5. If we are approached by a national standard setter that wishes to participate, we will of course consider the request. For now, though, I recommend that we not reach out to possible new members.

Topic three – Participation by video link

6. Travel to EEG meetings is expensive and time consuming. For example, my travel to the December meeting will take about 24 hours. We have long recognized that any meeting location will impose similar demands on most members. I agreed at our last meeting to explore the possibility of virtual participation by some members. Chen Yu and I did a test run in November, with her working from home and me in London at the IASB.

7. I do not have a recommendation for the group on this topic, and will be guided by your wishes. I do have several observations to offer.
- (a) There is, I think, a practical limit on the number of remote participants and locations in meetings like those of the EEG. After speaking with the IASB's IT staff, it seems to me that the limit is four. More than that number taxes the ability of the chair to see who wishes to be recognized and when. This is because each remote location appears as a "thumbnail" on the video display. There are services that provide special settings for virtual meetings, including the ability for a participant to signal the chair for recognition. I understand that those services are more costly than simple internet or Skype connections.
 - (b) The quality of the interchange is limited by the facilities and bandwidth on each end. Our November test was instructive on this point. Chen Yu's image frequently broke up and she had to call back in with a different band width setting.
 - (c) Our ability to have virtual participation will depend on the technical resources that are available at a hotel in the hosting country. We cannot expect that most hotels can provide a video suite comparable to those of the IASB in London or the FASB in Norwalk.
 - (d) We will have to answer the question "Who pays?" Today, we ask a hosting country to pay for the cost of recording the meeting as part of providing a venue.
 - (e) Things will go wrong, even with the best of facilities. The recent meeting of the Transition Resource Group on Revenue Recognition was interrupted for about 30 minutes when the internet systems at the FASB failed.