

# AGENDA PAPER

IFRS Advisory Council Meeting

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| London    | 23 February-24 February                               | <b>Agenda ref 4A</b> |
| TOPIC     | IFRS Foundation Review of Structure and Effectiveness |                      |
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## IFRS Foundation® Review of Structure and Effectiveness: comment letter summary

### Introduction

1. The purpose of this paper is to provide a summary of the feedback received in the comment letters in response to the consultation document Request for Views – Trustees’ Review of Structure and Effectiveness: Issues for the Review (‘the RfV’).
2. This paper is primarily for information, but any questions and/or comments from the Advisory Council would be welcome.

### Background

3. The RfV was approved by the Trustees at their June 2015 meeting and issued on 7 July, with a comment deadline of 30 November 2015.
4. The RfV explained that there were three main areas on which the Trustees were seeking comments, as follows:
  - a. the relevance of IFRS® Standards (‘the Standards’);
  - b. the consistent application of the Standards; and
  - c. the governance and financing of the IFRS Foundation (‘the Foundation’).
5. Generally, respondents welcomed the RfV, and expressed general support for the four primary strategic goals described in the RfV.
6. The comments received under each of the above three areas are summarised in the paragraphs below.

The IFRS Advisory Council is the formal advisory body to the International Accounting Standards Board and the Trustees of the IFRS Foundation. For more information about the Council, visit [www.ifrs.org/goAdvisoryCouncil](http://www.ifrs.org/goAdvisoryCouncil).

## Overview of responses

7. At the time of writing, 97 comment letters have been received. A list of respondents is at Appendix A and a statistical summary by type of respondent and geographical region is at Appendix B. All the comment letters are available on the Foundation's website<sup>1</sup>.

## Relevance of the Standards

8. The RfV posed a number of questions on ensuring the relevance of the Standards is maintained in three broad areas:
- a. the scope of the remit of the International Accounting Standards Board ('the Board');
  - b. the Foundation's strategy for the IFRS Taxonomy; and
  - c. considering the impact of developments on technology.

### ***Scope: extending the remit of the Board - private, not-for-profit sector***

9. The RfV referred to the demand for developing international standards for the not-for-profit (NFP) sector and the current lack of an international standard-setter doing so. The RfV asked for views on whether the scope of the Foundation's mandate should be expanded to encompass NFP bodies, taking into account the consequences of such a development in terms of the organisation's objectives, the Board's agenda and the resources available to undertake this work.
10. This question elicited the highest level of response from stakeholders, with a number of NFP organisations and representative bodies responding to support such a proposal. Arguments in favour included the demand for international standards for NFPs, with many referring to the report referred to in the RfV<sup>2</sup>, the need for much more harmonisation of funders' requirements (the view expressed is that without reliable and comparable standards, funders have to carry out extensive checks on organisations they give money to), and the importance of setting a clear benchmark for what good financial reporting looks like for NFPs.
11. That said, the majority of respondents did not favour an expansion in scope, arguing that the Board should remain focused on for-profit entities and prioritise the completion of a number of major on-going projects. Respondents expressed concern that an expansion could detract the Board's current focus, as well as putting undue pressure on the organisation's already limited resources, including the need for additional funding. A number questioned whether the cross-border activities of NFPs were extensive enough to justify the demands for the development of international standards for their sector. A small number considered that the extension of the remit to NFPs was something for the longer-term.
12. A number of respondents suggested that further research on the issue should be undertaken before coming to a view. One respondent<sup>3</sup> acknowledged the concerns raised by others about the diversion of

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<sup>1</sup> All the comment letters in response to the RfV are available on the Foundation's website at: <http://www.ifrs.org/About-us/IFRS-Foundation/Oversight/Trustees/Pages/Comment-letters.aspx>.

<sup>2</sup> UK Consultative Committee of Accountancy Bodies (CCAB) (February 2014) *International financial reporting for the not-for-profit sector*.

<sup>3</sup> CL47 Association of Chartered Certified Accountants UK.

resources away from what are perceived as the Board's core tasks, but felt that taking on responsibility for NFP issues might not involve such great resources as some might think. Another respondent<sup>4</sup> stated that resource was not a sufficiently compelling reason to set aside expanding the scope without first researching the costs and benefits.

**Scope: extending the remit of the Board - public sector entities**

13. The RfV noted that, given the recent changes agreed to the governance of the International Public Sector Accounting Standards Board (IPSASB), with the establishment of a Public Interest Committee (PIC), the Trustees did not intend, as part of this review, to consider further the possible expansion of scope to encompass the public sector.
14. A large majority of respondents agreed with the Trustees' view. A few respondents expressed a view that, in principle, the Foundation should encompass public sector entities, but only one<sup>5</sup> continued to press the case that the organisation should take on the governance of IPSASB now.

**Differential reporting: Small and Medium-sized Entities (SMEs)**

15. The RfV noted that the Board last year completed a comprehensive review of the *IFRS for SMEs*. As part of that review, the Board had considered whether the scope of this Standard should be expanded to cover some or all publicly accountable entities, but had concluded that it should not. The issue, however, remains a live one with the European Commission's proposal to develop a Capital Markets Union (CMU) and the Trustees proposed in the RfV to consider this issue further in the context of the CMU.
16. A small number of respondents commented on this, with the views being mixed, with some welcoming the Trustees' proposal to work with the EC and other constituents across the world on the issue, but others not seeing it as a priority. One respondent<sup>6</sup> argued that it should not be for the Board, but rather local stock exchange regulators to decide whether or not they wish the *IFRS for SMEs* to be used for some of their publicly traded entities. Another respondent<sup>7</sup> called for the *IFRS for SMEs* to be delinked from the development of the full Standards, with its own framework and Board.

**Scope: wider corporate reporting**

17. The RfV noted the continuing developments in wider corporate reporting and the Foundation's current level of co-operation with the International Integrated Reporting Council (IIRC) and others in such developments. The Trustees expressed the view that they see this co-operation as the Board playing an active role in such developments and as being a more appropriate approach than the Board broadening the scope of its work into areas outside the traditional boundaries of financial reporting.
18. A large majority of those who responded on this issue agreed with the Trustees' view, with a number of respondents cautioning against the Board taking on further responsibilities in this area. That said, a

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<sup>4</sup> CL15 Malaysian Accounting Standards Board.

<sup>5</sup> CL67 Deloitte.

<sup>6</sup> CL68 SwissHoldings.

<sup>7</sup> CL21 South African Institute of Chartered Accountants.

minority commented that the Foundation and the Board should take a more pro-active, leadership role in this area, with a number calling on the organisation to develop a strategy in relation to the possible future direction of reporting corporate performance and the implications for the Standards in meeting the needs of key users.

### *Boundary of financial reporting: ‘non-IFRS’ information*

19. The RfV noted that a focus of much debate concerns the reporting of ‘non-IFRS’ information (what some refer to as Alternative Performance Measures, APMs). The Trustees outlined their view that they regard this as a technical issue within the competence of the Board, which is looking at such reporting within the context of the Disclosure Initiative project.
20. Although the Trustees did not seek views on the issue, a minority of respondents provided comments, mostly to agree that this is something that should be examined by the Board as part of its technical agenda. One respondent in particular<sup>8</sup> wished to emphasise its view that the increasing tendency of companies to report APMs shows that in several areas the financial statements using the Standards have lost their relevance, so that any work by the Board on this issue should be addressed as a high priority.

### **Structured digital reporting: IFRS Taxonomy**

21. The RfV sought views on whether stakeholders agreed with the Foundation’s strategy with regard to the IFRS Taxonomy, including the shift to focus more on the Taxonomy itself rather than the computer language (XBRL) used to render and view the Taxonomy.
22. A large majority of those who responded agreed, many with caveats, in particular to reinforce the view expressed by the Trustees in the RfV that Taxonomy considerations should not dictate the standard-setting process. Concerns were expressed that integrating the development of the Taxonomy with the standard-setting process could detract from the aim of developing principle-based Standards, as well as the level of resources that might be devoted to this area. Some respondents felt that the Board should not have any level of involvement in the quality assurance process for developing the IFRS Taxonomy. A number of respondents also expressed the view that the Board should not seek public comments on proposed Taxonomy updates at the Exposure Draft (ED) stage of new Standard/amendment to a Standard, but only after the Board has finalised its technical decisions on a final Standard/amendment<sup>9</sup>.
23. A few respondents did not agree with the strategy, with one<sup>10</sup> seeing no justification for work on the Taxonomy and recommending its “interruption”.

### *Supporting regulators in their efforts to improve digital access*

24. The RfV noted that regulators in many jurisdictions have taken, or plan to take, steps to improve digital access to general purpose financial reports, although the approaches taken remain diverse and

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<sup>8</sup> CL68 SwissHoldings

<sup>9</sup> The current consultation on proposed changes to the IFRS Taxonomy, issued on 4 November 2015, in fact proposes that changes to the Taxonomy are exposed for public comment after the Board has finalised its technical decisions.

<sup>10</sup> CL65 Norwegian Accounting Standards Board.

inconsistent. The Trustees sought views as to how the Board can best support regulators in their efforts to improve digital access.

25. A number of respondents expressed the view that the Board can best help regulators in this area by having a quality IFRS Taxonomy. Some European respondents referred to the current consultation paper on the European Single Electronic Format (ESEF) published by the European Securities and Markets Authority (ESMA), which proposes requiring the use of the IFRS Taxonomy for the consolidated IFRS financial statements of companies listed on an EU regulated market. Some respondents – including the International Organization of Securities Commissions (IOSCO)<sup>11</sup> – suggested that the Board should liaise with regulators on this issue, with one suggesting that an annual forum with regulators should be arranged<sup>12</sup>. A few respondents expressed concern that the Board needed to avoid infringing into the domain of securities regulators and that this area should be left to the regulators themselves.

### ***Wider developments in technology***

26. The RfV noted the Trustees' view of the importance of considering how technology might affect how financial information is shared and accessed more generally and a proposal that the Foundation might establish a network of experts to help and provide advice. A number of stakeholders, including the IFRS Advisory Council, have stressed the importance of the Foundation ensuring that the relevance of the Standards is maintained in the face of developments in technology. In the RfV, the Trustees sought views on what else the Board should be doing in this area.
27. Respondents generally, but not exclusively<sup>13</sup>, supported the proposal to establish a network of experts to help and provide advice on technological developments and how the Foundation and/or the Board should respond to, and where appropriate, exploit such developments. A small number of respondents noted that there was a need to clarify the relationship between such a network, if established, and the present IFRS Taxonomy Consultative Group. A few respondents referred to the work on digital reporting that has been, and will be, conducted by the UK Financial Reporting Council's (FRC's) Financial Reporting Lab, which should serve as a useful input.
28. A minority of respondents took the view that the organisation should focus on the content of the Standards, rather than the technology, which they regarded as simply a way to access and communicate financial information determined by the Standards. One respondent<sup>14</sup> went as far as to say: "If changes in technology with other means of reporting in the future remove the needs for accounting standards, so be it".

## **Consistency of application and implementation**

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<sup>11</sup> CL60.

<sup>12</sup> CL63 Korean Accounting Standards Board.

<sup>13</sup> CL 21 South African Institute of Chartered Accountants and CL91 BusinessEurope take the view that a network is not a high priority.

<sup>14</sup> CL65 Norwegian Accounting Standards Board.

29. The RfV outlined the range of actions that the Foundation has been pursuing in helping to ensure the consistent application of the Standards (in six particular areas, as set out below), while recognising that the primary responsibility for this rests with others, in particular preparers, auditors and regulators. In the RfV, views were sought on what the Foundation is doing currently in this area and whether it could and should be doing anything more, taking into account resourcing and other limitations.
30. Generally, respondents were very supportive of the Foundation's existing efforts to encourage consistent application. They thought that (a) consistent application of the Standards was an appropriate strategic goal; (b) the Foundation's efforts were appropriate and (c) the Foundation would necessarily need to rely on other parties in some respects for consistent application of the Standards.
31. However, some respondents did caution that 'consistent application' was a slightly misleading term in that absolute uniform application of the Standards could, and should, never be achieved as long as the Standards remain principles-based. Consistent application of the Standards necessarily will depend on the specific circumstances of each entity applying the Standards, and different judgements should not be a problem if those judgements are faithful to the objectives and principles in the Standards.
32. Generally, respondents thought that the Foundation could do most to encourage consistent application of the Standards by producing high-quality, easily understood, easily-translated Standards based on strong principles. Respondents thought that the Board should remain focussed on setting principles-based standards and should avoid introducing too many rules just for the sake of consistent application, or attempting to solve local or regional problems. The Board should only make amendments to standards only when those amendments are strictly necessary, and should not attempt to provide accounting guidance for every possible transaction.

### ***Clear, understandable and enforceable Standards***

33. The RfV noted that the *Due Process Handbook* outlines the procedures followed by the Board in finalising the issue of a Standard or Interpretation to ensure that it is clear, understandable and enforceable. The RfV also noted the Foundation's *Official IFRS Translation Process* for translating Standards from English into other languages.
34. Few respondents commented specifically on translation, but those that did supported the Foundation's strategy in this area. Many respondents, however, commented on the Board's approach to finalising the issue of a Standard.
35. These respondents thought that improving the quality control around the final stages of publishing a standard would help to encourage consistent application of Standards. These respondents noted that, for many recently published Standards, there have been many amendments, editorial corrections, and submissions to the Interpretations Committee about these Standards soon after their publication. These respondents thought that such amendments hurt the credibility of the Standards and do not provide an incentive for preparers to take an early start in implementing the Standards. While some respondents thought that these amendments were the result of the Board being too willing to amend Standards without allowing opportunity for judgement, most respondents thought that these issues could be at least partly solved by improving the due process around drafting final Standards. Some of these respondents noted that, while the deliberations around major projects take several years, the drafting of final Standards takes a relatively short time. These respondents urged the Board to take the sufficient time needed to ensure a high-quality final Standard, with the clearest drafting possible.

36. Most of the suggestions provided by respondents in this area centred around improving the process around the 'fatal flaw' draft that the Board provides to selected external reviewers for their opinion on whether the draft is clear and reflects the technical decisions made by the Board. These suggestions included the following:
- (a) to increase the transparency about the drafting process, and in particular the fatal flaw draft, including how reviewers have been selected and how the comments received have been handled;
  - (b) to make the fatal flaw draft publicly available to all of the Board's constituents (although some respondents specifically cautioned against this);
  - (c) to include more reviewers for the fatal flaw draft, or extend the time for review;
  - (d) to hold separate targeted fatal flaw reviews of specific wording in the draft that may be hard to interpret or involve judgement.
37. A few respondents suggested that improvements to the process around the fatal flaw draft should be the subject of a separate consultation.

***Guidance consistent with a principle-based approach to standard-setting***

38. The RfV noted that, in order to provide guidance consistent with a principle-based approach to standard-setting, the Board and Interpretations Committee provide application guidance and examples to understand and implement the principles in a Standard in a consistent manner. The RfV also noted that the Board has established two Transition Resource Groups ('TRGs') in support of this area.
39. Most respondents welcomed the establishment of TRGs and support their continuation. Many of these respondents, however, did not think that TRGs are needed after the publication of every Standard; these respondents generally thought that TRGs should be used for major complex Standards that bring significant changes in practice. Some respondents, however, thought that TRGs should be used for every new Standard.
40. These respondents supported TRGs as a useful means of implementing a Standard, giving stakeholders the opportunity to discuss difficult areas of implementation and allowing for broader dissemination of information helpful to implementation. These respondents did not think that TRGs should necessarily result in amendments to recently-issued Standards; rather, they should be used as a means of discussion of difficult areas of implementation and might result in the production of educational materials or referrals to the Interpretations Committee. These respondents thought that the TRGs for IFRS 9 and 15 have been helpful in implementing those Standards, and that the Board should use the experience from these TRGs in developing future TRGs.
41. However, a few respondents did not support the use of TRGs. These respondents thought that TRGs do not need to be a standard part of the Board's due process because they can encourage a rules-based mind-set to standard-setting, discourage judgement in implementing Standards, and impact the credibility of newly-established Standards. These respondents thought that the efforts of TRGs could best be addressed through education initiatives.

42. There were a number of other miscellaneous comments received on TRGs. A few respondents questioned the timing of TRGs and whether they should remain active up to the effective date of a new Standard. Other respondents thought that the Board should clarify the authority and remit of TRGs, and how membership of TRGs is determined.

### ***Co-operation with others***

43. The RfV referred to the fact that the *2011 Strategy Review report* stated that the Board should work with a network of securities regulators, audit regulators, standard-setters, accounting bodies and other stakeholders to ensure consistent application of the Standards nationally. The RfV also provided some specific examples of the Foundation's cooperation with securities regulators in this regard.
44. Respondents generally supported the Foundation's and Board's efforts in cooperation with stakeholders, in particular the cooperation with securities regulators described in the review. Respondents named a range of other stakeholders that they believed it was important for the Board to maintain cooperation with, including accounting professional bodies, auditors, academics and accounting firms. These respondents offered many reasons why cooperation with stakeholders is important for consistent application; stakeholders can alert the Board when there is diversity in practice or implementation issues, stakeholders have knowledge of local economic and regulatory environments, and stakeholders can promote consistent application of the Standards amongst their members.
45. Some respondents specifically commented about how the Board can best cooperate with the Accounting Standards Advisory Forum ('ASAF') and national standard-setters. Most of these respondents thought that the Board should utilise ASAF and national standard-setters better, giving them more responsibility and opportunity to provide input to the Board. Some respondents suggested that standards-setters especially be used in the research phase of projects.
46. A few respondents also suggested that the Board should focus on multilateral, rather than only bilateral, cooperation with its stakeholders.

### ***IFRS Interpretations Committee***

47. The RfV noted recent developments in the work of the IFRS Interpretations Committee ('IFRIC') and the impact of those developments on the output of the IFRIC.
48. Respondents offered a number of comments on the IFRIC. Some respondents praised the work of IFRIC generally, saying that its function is of critical importance and a significant amount of resources should be devoted to its work. However, other respondents criticised IFRIC, stating that it is seen in practice as slow and unresponsive, with a long lag between submissions and decisions, and that IFRIC sometimes addresses 'symptoms' of problems with Standards, rather than the underlying causes.
49. Respondents offered a number of specific suggestions for IFRIC:
- (a) to make agenda decisions authoritative - some stakeholders are already using agenda decisions as authoritative guidance;
  - (b) to clarify the appointment process and ensure that IFRIC members are from a sufficient mix of backgrounds and are from jurisdictions with backgrounds in applying the Standards;



- (c) to ensure the bar is not set too high in terms of deciding whether to accept or reject agenda requests. Some respondents thought that IFRIC were rejecting too many requests;
- (d) to coordinate with the US Emerging Issues Task Force on implementation issues relating to converged guidance;
- (e) to make public all issues submitted to the IFRIC;
- (f) to make sure decisions can be made as efficiently as possible; included in this would be to streamline the interaction between the Board and IFRIC and making sure that IFRIC members are as prepared as possible before the meetings to minimise the chances of sending issues back to staff;
- (g) to avoid using the existence of research projects as a blanket excuse for not providing short-term clarification on issues that relate to those research projects. Even if the issue is rejected because of the existence of a research project, the IFRIC should, at a minimum, track those rejections in a manner that is transparent to constituents;
- (h) to maintain the number and length of IFRIC meetings.

### ***Education activities in support of consistent application***

- 50. The RfV described the Foundation's Education Initiative and its recent work. The RfV noted that the delivery of education in general across the world is undergoing development, and that there is an opportunity for the Foundation to assess if it should focus on providing multimedia-style content education programmes.
- 51. Views were mixed on the Education Initiative. While some respondents supported the efforts of the Education Initiative and thought that it was a useful tool to encourage consistent application, others thought the responsibility for providing educational materials should lie with other parties.
- 52. Respondents had some specific comments on the Education Initiative. Some respondents thought that the Foundation should not charge for any educational materials it produces (see paragraph 109). Other respondents requested more clarity about the authoritative status of educational materials, and the due process surrounding the publication of these materials. Other respondents suggested that the Education Initiative should focus on podcasts, webcasts, and conferences rather than written materials.

### ***Post-Implementation Reviews***

- 53. The RfV noted that the Board is committed to performing post-implementation reviews ('PIRs') of all new Standards and major amendments. The RfV also summarised the PIR on IFRS 8 and noted that the DPOC took the view that the process was an appropriate one to be followed in future post-implementation reviews, with the Trustees undertaking a review of the process when the Board has further experience of PIRs.
- 54. Of the respondents who commented on PIRs, there was near-unanimous support for these reviews generally as important tools to encourage consistent application of Standards. A few respondents did request more clarification of the procedures associated with PIRs, such as how the Board selects Standards for review and what actions should be taken based on feedback received.

55. There were a number of comments received on how post-implementation reviews interact with standard setting, and the majority of these comments urged the Board to be more efficient in this regard. Many respondents thought that the Board should concentrate on acting on issues identified in a PIR on a timely basis; these respondents thought that such issues need not always be added to the research agenda, or deferred because of upcoming Agenda Consultations. Other respondents said that the Board need not always wait for a PIR if it is clear that standard-setting action is currently needed.
56. Many respondents also commented on the appropriate amount of time to wait before carrying out a post-implementation review. Some respondents thought that the two years of full implementation of a new Standard mentioned in the *Due Process Handbook* was an appropriate balance between allowing enough time after implementation to gather evidence, and resolving any issues in a timely manner. Other respondents, however, argued that two years was not long enough and suggested that the gap be three or four years. Still other respondents argued that there should be no set amount of time but that a post-implementation review should be conducted whenever the Board considers it necessary.
57. Finally, some respondents commented on the scope of PIRs. Many of these respondents argued that PIRs should be performed for all Standards, not just new Standards.

#### **Other comments**

58. Respondents had a number of other miscellaneous suggestions on how to encourage consistent application of the Standards:
- (a) the Standards should be clearer in distinguishing mandatory from non-mandatory guidance. Moreover, the Board should avoid publishing extensive application guidance which questions the robustness of the mandatory guidance or risks undermining the underlying principles in the Standard;
  - (b) making full use of effects analyses and field testing throughout the standard-setting process.
  - (c) the Foundation should focus more on researching local interpretations of the Standards.

#### **Governance and financing**

59. The RfV contained a number of questions about the governance and funding of the Foundation. These questions pertained to:
- (a) the three-tier governance structure;
  - (b) the Trustees;
  - (c) the focus and frequency of reviews of strategy and effectiveness;
  - (d) the Board; and
  - (e) the functioning of the Foundation's funding model.

***Three-tier governance structure (including comments on the Monitoring Board)***

60. The RfV described the three-tier governance structure of the Foundation but did not propose any changes to this three-tier structure generally. The RfV asked respondents whether they had any suggestions as to how the functioning of the three-tier governance structure could be improved.
61. Respondents were nearly unanimous in their support of the general three-tier structure of governance used by the Foundation, stating that this structure provides independence of standard-setting within a framework of public accountability. Many respondents took the view that no substantial changes to the three-tier structure are necessary.
62. However, respondents did have a number of specific suggestions regarding the Monitoring Board notably:
- (a) the focus of the work of the Monitoring Board – the EC’s response recommends that the Monitoring Board “should refocus its attention from issues of internal organisation to discussing matters of public interest that could be referred to the IFRS Foundation”;
  - (b) the scope of the work of the Monitoring Board – a number of respondents have called for a wider expansion of its role. For example, the French Autorité des Normes Comptables (‘ANC’) (CL85) takes the view that the Monitoring Board should liaise with public authorities from jurisdictions that have adopted the Standards to identify their stakes and take into account their policies. The ANC (CL85) also believes that the Monitoring Board should participate ‘more deeply’ in the definition of the strategy. The Dutch Accounting Standards Board (‘DASB’) (CL46) stated that “The Monitoring Board or the Trustees should have oversight over the IASB’s agenda-setting, Post-implementation reviews and the due process oversight committee both in form and in substance”. The Financial Accounting Standards Foundation and Accounting Standards Board of Japan (‘FASB/ASBJ’) (CL38) called on the Foundation to better explain how its funds are used to the Monitoring Board (and other contributors) ;
  - (c) membership – the expansion of the membership of the Monitoring Board is still a work-in-progress following the Monitoring Board’s review of governance in 2011 and 2012. Most of the comments received in this area related to the need to link membership of the Monitoring Board geographically to adoption of the Standards and/or funding of the Foundation, which is discussed later in this paper. Apart from that, aside from the criteria for membership (considered below), BusinessEurope (CL91) wondered whether the current composition of the Monitoring Board is drawn from a sufficiently broad range of stakeholders in the world’s capital markets to ensure that the public accountability and public interest oversight aspects of the Foundation’s activities are fully covered. The ANC (CL85) also calls for a broader membership to include those more closely linked to public authorities, with jurisdictional authorities more involved in the selection of members. Such a representational model would more directly relate membership to the exercise of sovereignty by jurisdictions. The DASB (CL46) made similar comments, proposing that the Monitoring Board should have members appointed as representatives of jurisdictions. The Institute of Certified Public Accountants of Kenya (‘ICPAK’) (CL40) has sought more representation from Africa, while the International Association of Insurance Supervisors (‘IAIS’) (CL51) wants observer status on the Monitoring Board;

- (d) transparency of the Monitoring Board – a number of respondents are seeking greater transparency from the Monitoring Board in its operations. For example, the Investment Association (CL51) sees ‘little’ transparency over the activities of the Monitoring Board. KPMG (CL25), ACTEO-APEF-MEDEF (CL31) and Mazars (CL61) also comment on this aspect, with the last of these encouraging the Monitoring Board to ‘more transparently and effectively communicate’. Deloitte (CL67) perceives the interaction between the Trustees and the Monitoring Board as ‘uni-directional’. Again, this was a theme raised in the Monitoring Board’s earlier review of governance referred to above; and
- (e) funding of the Foundation – a number of respondents have urged that the Monitoring Board should play a more active role in securing funding for the Foundation. For example, KPMG (CL25) believes that the Monitoring Board “should be responsible for working with the capital market regulators e.g. through IOSCO to establish a levy to allow the Foundation to fund its operations”. Similarly, ACTEO-APEF-MEDEF (CL31) stated that “we believe that the Monitoring Board should play a major role in making reticent stakeholders aware of the importance of funding and its implications for funding”. The ANC (CL85) calls for the Monitoring Board to increase its involvement in identifying ways to increase and stabilise the Foundation’s funding. The Hong Kong Institute of Certified Public Accountants (‘HKICPA’) (CL81) is even more direct, suggesting an option that Monitoring Board members should ‘contribute appropriately’ to the funding of the Foundation. .

### **Trustees**

63. The RfV asked questions about the Trustees pertaining to:

- (a) the geographical distribution of the Trustees; and
- (b) the professional background of the Trustees.

### *Geographical distribution*

- 64. The RfV described the current geographical distribution of the Trustees and the rationale underlying it. The RfV also proposed increasing the number of ‘at large’ Trustee appointments from two to five. The RfV asked for respondents’ views on the overall geographical distribution of the Trustees, and the proposal to increase the number of ‘at large’ Trustee appointments.
- 65. In response to the RfV’s questions regarding the geographical distribution of Trustees, views were mixed. The majority of respondents did agree with the RfV’s proposal to increase the number of ‘at large’ Trustee appointments from two to five, although a significant minority disagreed.
- 66. Those who agreed with the proposal generally did so because the proposals would give the Foundation the ability to find the best candidates and the flexibility to adapt to changing circumstances. Those who disagreed with the proposal generally did so because they favoured set geographical requirements and thought that an expansion of ‘at large’ Trustees would make Trustee appointments too subjective and prone to political considerations.
- 67. Respondents offered a number of suggestions regarding how the overall geographical distribution of Trustees should be determined. Respondents agreed that the geographical distribution should be

representative of the world's capital market, with some respondents focussing on the maturity and size of capital markets. Many respondents also suggested that commitment to the Standards should be taken into account when determining the geographical distribution, particularly the level of funding and adoption of the Standards. However, a few respondents cautioned that it would be necessary to have at least some representation from jurisdictions that have not yet adopted the Standards. Finally, a few respondents stated that emerging economies and developing countries should have greater representation in the geographical distribution.

68. Some respondents offered specific suggestions regarding the geographical distribution. Respondents questioned how, exactly, the increase in 'at large' Trustees would be accomplished and which regions would have a decrease in Trustees. Some respondents stated that the number of North American Trustees should be reduced because of the lack of adoption of the Standards by the United States. Some respondents stated that the number of Trustees from Asia/Oceania, Africa and South America should be increased because of the level of adoption of the Standards and because of the diversity in these areas. A number of European constituents requested that the number of European Trustees not be decreased, with a similar call made by some constituents from Asia-Oceania regarding the number of Trustees from the Asia-Oceania region.
69. Respondents made other various comments about the geographical distribution of Trustees. A few respondents thought that there should be more flexibility regarding geography than just five 'at large' members and that more focus should be placed on other qualifications, such as professional background. Other respondents thought that various aspects of the geographical distribution should be clarified, such as the exact makeup of the geographical regions and the qualifications for assigning Trustees to particular geographical regions. Finally, a few respondents recommended that the size of the Trustees be reduced, for similar reasons as the proposal to reduce the size of the Board.

### *Professional background*

70. The RfV described the current guidance in the *Constitution* regarding the balance of professional backgrounds of the Trustees and stated that the Trustees do not plan to introduce any specific quota regarding professional backgrounds. The RfV asked respondents' views on the current specifications regarding professional backgrounds of Trustees and whether respondents believe any change is necessary.
71. Regarding the professional backgrounds of Trustees, respondents generally agreed that the Trustees should be made up of members with diverse professional backgrounds and that there should not be a quota used to determine the Trustees in this regard. However, a few respondents did support the use of quotas in this area.
72. Views were mixed on whether the Foundation's *Constitution* should specifically mention that normally two of the Trustees would be senior partners of prominent international accounting firms. Some respondents supported the inclusion of this wording, while others said it was not appropriate and negated the principle of not having a quota in this area.
73. Respondents also made other specific suggestions about the professional backgrounds of Trustees. Respondents suggested that there should be more Trustees from regulatory bodies, industry, accountancy, and the user community.

### *Other comments regarding the Trustees*

74. Respondents also provided comments about the general functioning of the Trustees. Many respondents thought that the Trustees should take a more active role in their oversight of the Board. These respondents thought that the Trustees were too focussed on the process of standard-setting and were not providing enough oversight and support of the actual substance of what the Board does. As an example, Keidanren (CL 24) has suggested that the Foundation should “thoroughly examine (1) whether the way the IASB develops Standards is in line with the IFRS Foundation’s strategic goals, and (2) whether the IASB develops Standards in an efficient manner and maintains an appropriate due process”. In a similar vein, the UK Financial Reporting Council (‘FRC’) (CL26) suggested that the Trustees should set the strategic direction of the Board’s standard-setting agenda, hold the Board to account for following this strategy and “assess the performance of the IASB as a whole by reference to adherence to the words and the spirit of the due process requirements and by reference to the quality and timeliness of its outputs”. However, other respondents, such as the Accounting Standards Council of Singapore (ASCS, CL4) emphasised the importance of the Board’s independence in the three-tier governance structure.
75. These respondents had various suggestions in terms of how the Trustees could improve their oversight in this area:
- (a) Taking a more active role in the final stages of standard-setting, such as increased scrutiny of cost-benefit analyses, quality control in the finalisation of a standard, and post-implementation reviews (see paragraphs 34-37 for a description of comments received regarding quality control in the finalisation of a standard).
  - (b) Taking a more active role in the standard-setting agenda by, for example, setting the strategic direction of the agenda, monitoring agenda setting to limit frequency and speed of change, or taking a more active role in Agenda Consultations and limiting overlap between Agenda Consultations and strategy reviews.
  - (c) Increasing their oversight of the Board by evaluating their effectiveness through the quality and timeliness of their outputs;
  - (d) Playing a more active role in PIRs.
76. Respondents also provided other miscellaneous comments about the general functioning of the Trustees. Respondents unanimously agreed with the efforts to recruit more female Trustees but opposed any quotas. A few respondents also suggested that the Trustees have stronger ties to the jurisdictions they represent in terms of championing the Standards in those jurisdictions and making sure those jurisdictions’ needs are considered by the Board.

### **Reviews of structure and effectiveness**

77. The RfV proposed to amend the *Constitution* to specify that a review of the entire strategy and effectiveness of the organisation should commence, at the latest, five years after the previous review has been completed. The *Constitution* currently specifies that the Trustees should undertake a review of the structure and effectiveness of the organisation every five years. The RfV asked respondents’ views on the proposal to change the focus to undertake reviews of strategy and effectiveness, as well as the frequency of such reviews.

78. Regarding the RfV's proposal to change the focus and frequency of reviews of strategy and effectiveness, most respondents agreed with the proposal to amend the Constitution to state that the Trustees should undertake periodic reviews of the strategy and effectiveness of the organisation, at the latest, five years after the previous review has been completed.
79. These respondents agreed with the reasons given in the RfV; they thought that extending the amount of time between reviews would give the Foundation stability and continuity and agreed with the review focussing on the strategy of the organisation rather than just the structure of the organisation. These respondents thought that the Foundation is sufficiently established, and the structure of the Foundation works sufficiently well, so that more frequent reviews are not needed. Moreover, extending the time between reviews would free resources for the Trustees to focus on other matters. For many of these respondents, however, their support was contingent on the fact that the Foundation would have the flexibility to initiate a review less than five years after the last one if such a review was needed.
80. A minority of respondents disagreed with the proposals in the RfV. Most of these respondents felt that the review could be carried out at longer intervals (for example, 5-7 years, or whenever a review was needed). A few respondents disagreed with reducing the frequency of the reviews, arguing the reviews are too important and the Foundation is not established enough to justify a reduction of frequency.
81. A few respondents requested that the timing of the strategy reviews and the agenda consultation be aligned. A few respondents also suggested that a review of the strategy and effectiveness of the organisation could be performed by an external party.

### ***The Board***

82. The RfV asked questions about the Board pertaining to:
- (a) its size;
  - (b) the geographical distribution of its membership;
  - (c) the professional background of its members; and
  - (d) the term of reappointment of the members.

### ***Size***

83. The RfV described the rationale behind the current specification in the *Constitution* that the Board comprises 16 members, but explained that the Trustees propose to decrease the size from 16 members to 13. The RfV asked respondents' views on the proposal to decrease the size of the Board.
84. In response to the RfV's proposal regarding reducing the size of the Board from 16 to 13, views were mixed. Roughly the same number of respondents agreed and disagreed with the proposal.
85. Those who agreed with the proposal generally did so for the same reasons described in the RfV. These respondents thought that a 13-member Board would increase the Board's efficiency and effectiveness, while at the same time saving resources of the Foundation. Many respondents who agreed with the proposal did so on the condition that it not impact the quality of standards produced by the Board, the amount of outreach performed by the Board, or the professional and geographical diversity of the Board.
86. Those who disagreed with the proposal did so for many reasons, including:

- (a) the current Board size works well; there are no compelling reasons to change the size;
- (b) at a time when the number of countries adopting the Standards is increasing, it seems counterintuitive to lower the size of the Board;
- (c) the Board needs sufficiently diverse professional and geographic backgrounds; 13 members would not accomplish this diversity.
- (d) reducing the Board size would put too much strain on existing members and limit their ability to conduct an appropriate amount of outreach;
- (e) the formation of the Accounting Standards Advisory Forum ('ASAF') should not justify a reduction in the Board size; the ASAF and Board have very different roles and ASAF cannot serve as a substitute for additional Board members;
- (f) employing a sufficient number of Board members of high quality should be the first priority of the Foundation; if spending reductions are needed, it should not be in this area;
- (g) thorough debates, with differing viewpoints, are more important than efficiency in setting quality standards; the Board size should be sufficiently large and diverse as to allow these debates to happen.

87. Some respondents suggested alternative Board sizes other than 16 or 13. Most of these suggested 14 members, while some suggested less than 13 or that 13 should be the maximum number of members.

### *Geographical distribution*

88. The RfV described the current geographical distribution of the Board's membership and explained how the geographical distribution would be changed if the size of the Board were changed. The RfV asked for respondents' views on the revised geographical distribution.
89. Regarding the geographical distribution of the Board, the views expressed were generally the same as those expressed about the Trustees' geographical distribution (see paragraphs 65-69). That is, respondents generally supported the geographical distribution of the Board being based on capital markets. Respondents also suggested that the geographical distribution of the Board should depend on a region's commitment to Standards, in terms of their adoption and funding of the Foundation. A few respondents suggested that the geographical distribution should ensure that less developed economies are represented.
90. Most respondents supported the geographical distribution to ensure that all of the Board's diverse constituency could be considered when setting standards. A few respondents thought that there should be more flexibility in this area, for example increasing the number of 'at large' members or doing away with the geographical distribution entirely.
91. Respondents also gave specific suggestions regarding the geographical distribution. Similar to the feedback received on the Trustees' geographical distribution, some respondents stated that the number of North American Board members should be reduced because of the lack of adoption of the Standards by the



United States (although a few respondents did say that maintaining a North American presence on the Board was important).

### *Professional background*

92. The RfV proposed amending the *Constitution* by deleting Section 27 and amending Section 25 to state that the mix of professional backgrounds on the Board shall include auditors, preparers, users, academics and market and/or financial regulators. The RfV asked for respondents' views on these amendments.
93. Regarding the RfV's proposal to amend the *Constitution* in regards to the balance of backgrounds on the Board, most respondents agreed with the proposed amendments. These respondents agreed with the position in the RfV that the current wording of Section 27 of the *Constitution* is unduly restrictive and did not think that there should be a quota of the backgrounds that should be represented on the Board. These respondents also concurred that a reference to market and/or financial regulators should be included in the description of the mix of professional backgrounds on the Board.
94. However, some respondents disagreed with the proposed amendments to the *Constitution* in this area. These respondents disagreed with the inclusion of regulators, arguing that regulators are already represented within the Foundation and that standard-setting should not be framed by regulatory viewpoints are concerns. These respondents argued that standard-setting should not be framed by regulatory concerns. These respondents also pointed out that there is already a heavy presence of regulators on the Board currently, and this should not be increased.
95. Respondents were also concerned about removing the phrase 'recent practical experience' from the *Constitution*, arguing that this is an important factor that should be considered in the appointment of Board members.
96. Respondents also made a number of other suggestions regarding different backgrounds or factors that should be considered in the appointment of Board members. Respondents suggested including references to standard-setters, economists and actuaries in the description of the mix of professional backgrounds. A few respondents also recommended including reference to technological expertise or practical experience in implementation or application of the Standards in the criteria necessary for Board membership.

### *Term of Reappointment*

97. The RfV proposed amending Section 31 of the *Constitution* to state that Board members shall be appointed initially for a term of five years, renewable once for a further term of up to five years. The *Constitution* currently states that terms are renewable once for a further term of three years (except for the Chair and Vice-Chair, who may serve a second term of five years). The RfV asked for respondents' views on this amendment.
98. Regarding the RfV's proposal to amend Section 31 of the *Constitution* on the terms of reappointment of Board members, most respondents agreed with the proposals. These respondents agreed with the rationale put forth in the RfV, stating that a longer reappointment period would increase flexibility in reappointments, provide continuity for major projects with long lifecycles and be helpful for the steep learning curve that Board members have. These respondents also approved of the consistency between the reappointment of the Chair, Vice-Chair, and rest of the Board members.
99. Some respondents disagreed with the proposal, arguing that this would make Board members too removed from recent practical experience. Some of these respondents stated that, if the reappointment

period was made longer, it should be phrased as a three-year reappointment with an option to extend to five years, if appropriate, to ensure that two five-year terms not become the norm.

100. Respondents also provided various other comments regarding the reappointment of Board members. Some respondents stated that it is very important to stagger appointments and reappointments. Other respondents stated that it is important to formalise reappointment criteria so that the Trustees do not reappoint Board members as a matter of course.

### *Other comments regarding the Board*

101. Finally, respondents had a few other miscellaneous comments about the Board. A number of respondents suggested that part-time members be added to the Board to increase diversity of geography and background and bring recent practical experience, while at the same time not requiring the same resources as a full-time board member. However, one respondent disagreed with adding any part-time Board members. Several respondents also agreed with the RFV's proposal to look at ways to address the gender imbalance on the Board without introducing any specific quota. Finally, a few respondents recommended that the Board should always have an odd number of members to avoid tied votes.

### **Financing**

102. The RfV summarised the Foundation's current funding model and noted the Trustees' belief that the model is appropriate and should be retained. That said, the RfV sought views on how the functioning of the funding model might be strengthened.
103. Respondents acknowledge the importance of the Foundation establishing a stable, long-term system of funding that enables the independence of the Board in its standard-setting. The challenges and limitations faced by the Foundation were referred to by a number of respondents, and there was a general acceptance that – given these challenges and limitations – the current three-pillar system of funding (publicly-sponsored contributions, private contributions, and self-generated income) was appropriate.

### *Publicly-sponsored contributions*

104. While supporting the principle of raising financing through publicly-sponsored contributions, respondents expressed a variety of views on the basis on which such contributions should be raised. Some respondents were content with the 'simple' Gross Domestic Product (GDP) basis. A number of respondents suggested alternatives to that GDP approach, including some form of levy-based system, possibly collected through the jurisdictional stock exchange, which reflects other factors, such as the market capitalisation of companies using the Standards. A number of respondents suggested a fee-based alternative, with at least two respondents<sup>15</sup> specifically suggesting that such a fee be paid by any company using the Standards that is required to produce audited financial statements.

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<sup>15</sup>

CL32 PwC and CL69 CFA UK.

105. A number of Brazilian constituents<sup>16</sup> submitted near-identical responses arguing for a change in the way that the Foundation calculates publicly-sponsored jurisdictional contributions from a GDP basis to a per capita GDP basis. Those constituents maintain that this would result in a fairer, and more affordable, allocation for countries such as Brazil. The response from the China Accounting Standards Committee (CASC)<sup>17</sup> also advocates use of GDP per capita, as well as giving a higher discount to developing countries and emerging economies.
106. A number of respondents have also suggested that the Foundation should seek funding contributions from major international organisations, including development organisations. One<sup>18</sup> has also called on the Monitoring Board to play a 'major role in making reticent stakeholders aware of the importance of funding and its implications for representation'.
107. On this latter theme, as noted in the comments made above, a substantial minority of respondents expressed a view that the geographical distribution in the Foundation and its bodies should be linked more closely to the financial contribution of the relevant jurisdiction to the Foundation.

### *Private contributions*

108. A number of respondents commented on the level of funding received from the accounting firms, with some acknowledging that such funding is at present necessary but also raising the perception concern about the potential risk to the Board's independence as noted by the Trustees in the RfV. Some respondents welcome the Foundation's efforts to increase the number of accounting firms making a contribution. One respondent<sup>19</sup> suggested that the Board's independence from the accounting firms, especially the 'Big 4', should be better documented.

### *Self-generated income*

109. Some respondents commented on the proposal that the Foundation should look to increase revenue from self-generated income, for the most part to emphasise the need for caution and not to compromise the organisation's public interest mission. Some respondents thought that the Foundation should not charge for any educational materials it produces, or at the very least questioned whether using the Education Initiative more to generate revenue could be compatible with the public interest mission. One respondent<sup>20</sup> referred in particular to the potential for the Foundation's Education Initiative to generate more income, stating that the 'significant' implications first need to be analysed to ensure that any such

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<sup>16</sup> CL62 Ibracon, CL64 Comissão de Valores Mobiliários, CL75 Fundação de Apoio ao Comitê de Pronunciamentos Contábeis, CL77 BNDDES, CL84 Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais.

<sup>17</sup> CL35.

<sup>18</sup> CL31 ACTEO-APEF-MEDEF.

<sup>19</sup> CL65 Norwegian Accounting Standards Board.

<sup>20</sup> CL4 Accounting Standards Council of Singapore.

potential should not compromise on the provision of sufficient support through the delivery of education to those implementing the Standards.

## Other comments

### *Global adoption and US convergence*

110. Respondents also commented on the primary strategic goal of global adoption of the Standards, although the RfV did not ask any specific questions on this subject.
111. Respondents were nearly unanimously supportive of the strategic goal in general but had varying specific comments. Views were mixed on the role of limited amendments to the Standards in terms of global adoption—some felt that the Foundation should be more flexible in allowing these in limited circumstances if doing so would encourage the adoption of the Standards, while others felt that amendments or carveouts (or gradual convergence) should never be allowed in adoption of the Standards as it would impair their quality.
112. Many respondents commented on the convergence process with US GAAP and the lack of progress in the effort to have the US adopt the Board's Standards. Some respondents stated that convergence was still very important in order to make financial statements around the world as comparable as possible, and encouraged the Board to work with the US Financial Accounting Standards Board ('FASB'), and other national standard-setters, to ensure that national GAAPs are as converged with the Standards as possible. This effort should include maintaining existing converged standards. Other respondents stated that there should be less of a focus on convergence, and convergence should not be achieved at all costs; the Foundation should focus more on jurisdictions which have adopted the Standards.

### *Due process*

113. A few respondents also commented specifically on other parts of due process not mentioned in the RfV. Multiple respondents complimented the Board on its extensive due process, with a few wondering if the process could be made simpler or more efficient. Some respondents discussed the voting requirements for the Board and requested that they be higher than the simple majority for agenda and topic decisions and 60% for issuance of new documents. Others mentioned the Due Process Oversight Committee and requested that they take a more substantive role in the oversight of due process, looking at the substance of complaints rather than just making sure that rules have been followed.

## Appendix A

### TRUSTEES' REVIEW OF STRUCTURE AND EFFECTIVENESS: LIST OF COMMENT LETTER RESPONDENTS TO REQUEST FOR VIEWS CONSULTATION DOCUMENT 2015

| Comment Letter (CL) Number | Name of Respondent                               | Country/Region |
|----------------------------|--|----------------|
| 1                          | International Federation of Accountants (IFAC)   | Global         |
| 2                          | Federation of Accounting Professions of Thailand | Thailand       |

| Comment Letter (CL) Number | Name of Respondent   | Country/Region |
|----------------------------|--|----------------|
| 3                          | European Records of IFRS Consolidated Accounts (ERICA) Working Group of the European Committee of Central Balance Sheet Data Offices | Europe         |
| 4                          | Accounting Standards Council of Singapore  | Singapore      |
| 5                          | German Insurance Association (GDV)   | Germany        |
| 6                          | David Avila (Individual)   | UK             |
| 7                          | External Reporting Board (XRB) of New Zealand  | New Zealand    |
| 8                          | Charity Commission and the Office of the Scottish Charity Regulator Statement of Recommended Practice (SORP) Committee               | UK             |
| 9                          | Management Accounting for Non-Governmental Organisations (Mango)   | UK             |
| 10                         | American Institute of Certified Public Accountants (AICPA)   | USA            |
| 11                         | Tom Espley (Individual)  | UK             |
| 12                         | European Securities and Markets Authority (ESMA)   | Europe         |
| 13                         | Insurance Europe   | Europe         |
| 14                         | Bond   | UK             |
| 15                         | Malaysian Accounting Standards Board (MASB)  | Malaysia       |
| 16                         | Australian Accounting Standards Board (AASB)   | Australia      |
| 17                         | International Federation of Red Cross and Red Crescent Societies (IFRC)  | Global         |
| 18                         | International Rescue Committee - UK  | UK             |
| 19                         | International Potato Center  | Global         |
| 20                         | Grant Thornton   | Global         |
| 21                         | South African Institute of Chartered Accountants (SAICA)   | South Africa   |
| 22                         | Stephen Omondi Okoth (Individual)  | Kenya          |
| 23                         | International Committee of the Red Cross (ICRC)  | Global         |
| 24                         | Keidanren  | Japan          |
| 25                         | KPMG   | Global         |
| 26                         | UK Financial Reporting Council (FRC)   | UK             |
| 27                         | Swedish Enterprise Accounting Group (SEAG)   | Sweden         |
| 28                         | RSM International Limited  | Global         |
| 29                         | Accounting Standards Committee of Germany (ASCG)   | Germany        |
| 30                         | Financial Reporting Technical Committee of the Financial Reporting Standards Council (FRSC) of South Africa                          | South Africa   |

| <b>Comment Letter (CL) Number</b> | <b>Name of Respondent</b>   | <b>Country/Region</b> |
|-----------------------------------|---|-----------------------|
| 31                                | ACTEO/AFEP/MEDEF  | France                |
| 32                                | PricewaterhouseCoopers (PWC)  | Global                |
| 33                                | CPA Australia   | Australia             |
| 34                                | Chie Mitsui, on behalf of a group of Japanese information users, preparers and public accountants | Japan                 |
| 35                                | China Accounting Standards Committee, Ministry of Finance, People's Republic of China             | China                 |
| 36                                | Medecins Sans Frontieres  | Global                |
| 37                                | The Corporate Accounting Committee (CAC) of the Securities Analysts Association of Japan (SAAJ)   | Japan                 |
| 38                                | Financial Accounting Standards Foundation (FASF) and Accounting Standards Board of Japan (ASBJ)   | Japan                 |
| 39                                | The Japanese Institute of Certified Public Accountants (JICPA)                                    | Japan                 |
| 40                                | The Institute of Certified Public Accountants of Kenya (ICPAK)                                    | Kenya                 |
| 41                                | Ngo-federation  | Belgium               |
| 42                                | Chartered Institute of Management Accountants (CIMA)  | Global                |
| 43                                | Pan African Federation of Accountants (PAFA)  | Africa                |
| 44                                | Institute of Chartered Accountants in England and Wales (ICAEW)                                   | UK                    |
| 45                                | Institute of Chartered Accountants in Scotland (ICAS)   | UK                    |
| 46                                | Dutch Accounting Standards Board (DASB)   | Netherlands           |
| 47                                | Association of Chartered Certified Accountants (ACCA)   | Global                |
| 48                                | Danish Accounting Standards Committee (DASC)  | Denmark               |
| 49                                | International Association of Insurance Supervisors (IAIS)   | Global                |
| 50                                | WaterAid  | Global                |
| 51                                | The Investment Association  | UK                    |
| 52                                | Accounting Standards Board of Canada (AcSB)   | Canada                |
| 53                                | Alexander de Croo (Deputy Prime Minister and Minister for Development Cooperation)                | Belgium               |
| 54                                | Federation of European Accountants (FEE)  | Europe                |
| 55                                | EY  | Global                |
| 56                                | Association for Financial Markets in Europe (AFME)  | Europe                |
| 57                                | European Banking Authority (EBA)  | Europe                |

| <b>Comment Letter (CL) Number</b> | <b>Name of Respondent</b>   | <b>Country/Region</b> |
|-----------------------------------|---|-----------------------|
| 58                                | Accounting Standards Oversight Council  | Canada                |
| 59                                | European Accounting Association (EAA)   | Europe                |
| 60                                | International Organization of Securities Commissions (IOSCO) Committee on Accounting, Audit and Disclosure (C1) | Global                |
| 61                                | Mazars  | Global                |
| 62                                | Ibracon   | Brazil                |
| 63                                | Korea Accounting Standards Board (KASB)   | Korea                 |
| 64                                | Comissão de Valores Mobiliários (CVM)   | Brazil                |
| 65                                | Norwegian Accounting Standards Board (NASB)   | Norway                |
| 66                                | Sayer Vincent   | UK                    |
| 67                                | Deloitte  | Global                |
| 68                                | Swiss Holdings  | Switzerland           |
| 69                                | CFA Society UK  | UK                    |
| 70                                | Canadian Bankers' Association (CBA)   | Canada                |
| 71                                | Quoted Companies Alliance (QCA)   | UK                    |
| 72                                | Basel Committee on Banking Supervision (BCBS)   | Global                |
| 73                                | World Intellectual Capital/Assets Initiative (WICI)   | Global                |
| 74                                | European Commission   | Europe                |
| 75                                | Fundação de Apoio ao Comité de Pronunciamentos Contábeis (FACPC)  | Brazil                |
| 76                                | International Integrated Reporting Council (IIRC)   | Global                |
| 77                                | Brazilian Development Bank (BNDES)  | Brazil                |
| 78                                | Core Humanitarian Standard (CHS) Alliance   | Global                |
| 79                                | BDO   | Global                |
| 80                                | Asian-Oceanian Standard-Setters Group (AOSSG)   | Asia-Oceania          |
| 81                                | Hong Kong Institute of Certified Public Accountants (HKICPA)  | Hong Kong             |
| 82                                | Australian Financial Reporting Council  | Australia             |
| 83                                | Swedish Financial Reporting Board   | Sweden                |
| 84                                | Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais (APIMEC)                        | Brazil                |
| 85                                | Autorité des normes comptables (ANC)  | France                |
| 86                                | Denise Juvenal (Individual)   | Brazil                |
| 87                                | International Financial Governance Consortium (IFGC)<br>African Academy of Sciences (AAS)                       | Africa                |
| 88                                | Corporate Reporting Users Forum (CRUF)  | Global                |

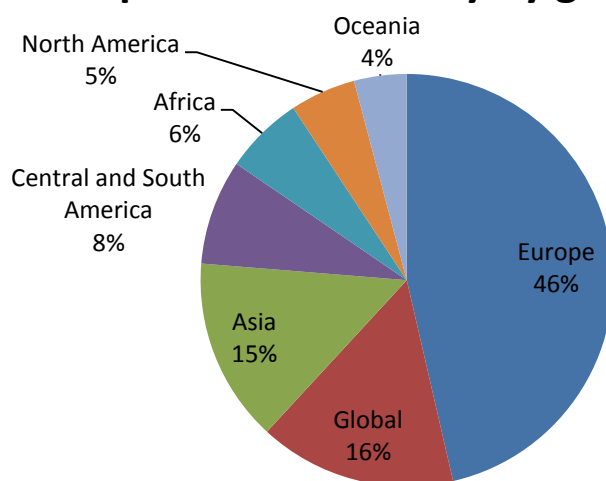
| <b>Comment Letter (CL) Number</b> | <b>Name of Respondent</b>                                    | <b>Country/Region</b> |
|-----------------------------------|--|-----------------------|
| 89                                | ACBAR  | Afghanistan           |
| 90                                | Ade Cahyadi (Individual)                                     | Indonesia             |
| 91                                | BUSINESSEUROPE   | Europe                |
| 92                                | Consejo Mexicano de Normas de Información Financiera (CINIF) | Mexico                |
| 93                                | European Financial Reporting Advisory Group (EFRAG)          | Europe                |
| 94                                | Organismo Italiano di Contabilità (OIC)                      | Italy                 |
| 95                                | Instituto de Contabilidad y Auditoría de Cuentas (ICAC)      | Spain                 |
| 96                                | United Utilities Group plc                                   | UK                    |
| 97                                | CFA Institute  | Global                |



## Appendix B

### TRUSTEES' REVIEW OF STRUCTURE AND EFFECTIVENESS: STATISTICAL SUMMARY OF COMMENT LETTERS BY GEOGRAPHICAL REGION AND TYPE OF RESPONDENTS

#### Respondent summary by geography



#### Respondent summary by respondent type

