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14 December, 2012

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir/ Madam,

Invitation to Comment: Proposal to Establish an Accounting Standards Advisory Forum.

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Invitation to Comment issued by the International Accounting Standards Board (IASB).

ICPAK's detailed responses to the questions set out in the Invitation to Comment in the ED are included as an appendix to this letter. Overall, ICPAK supports the proposed amendments to International Financial Reporting Standards (IFRSs) as part of the annual improvements project. ICPAK notes, more generally, that the proposed amendments are meant for clarity and will enhance the understanding of standards across board.

If you would like to discuss these comments further, please contact the undersigned on standards@icpak.com.

Yours Faithfully,

Nixon Oindi
Manager Standards

SPECIFIC COMMENTS

Question 1

Do you agree with the proposed commitments to be made by ASAF members (paragraph 6.4) and that they should be formalised in a Memorandum of Understanding (paragraph 6.5)? Why or why not?

Agree. The commitments outlined prioritize the public interest and defines the core business which revolve around developing high quality and acceptable standards as well as consistent application of the standards across the divide. The commitments are to be executed in line with principles set out in paragraph 4.7, they define the boundaries of the working relationship between IASB and NSS and Regional bodies to reduce the risks of conflicts as well managing the expectations from potential members. Paragraphs 6.14 indicates that the membership will be organization based while paragraph 6.8 derives membership from regions; there is need to clearly defines the membership criteria given that the membership is limited perhaps members should be nominated from the Regional Bodies as opposed to NSS to ensure fair presentation.

There is need for the ASAF member bodies to enter into a formal Memorandum of Understanding which will serve as the terms of engagement and demonstrate an element of mutual agreement; should there be legal issues the document will be the point of reference in the arbitration/ legal proceedings.

Question 2

The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paragraphs 6.7–6.13? Why or why not?

We support the size and composition of the ASAF as set out in the proposals reason being that there is an emphasis on representation, and technical effectiveness and efficiency among members. Paragraph 6.11 spells a provision or reviewing the membership of the ASAF every two years; this will allow the necessary changes in the composition a time when ASAF will have taken shape in execution of its mandate. Further paragraph 6.12 explores the possibility of IASB involving particular NSS or regional body on technical merit to participate in consultative groups handling IASB's specific agenda priorities.