

20 December 2012

Michel Prada
Chairman
IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr Prada,

Re: Proposal to Establish an Accounting Standards Advisory Forum

The Polish Accounting Standards Committee (Polish ASC) is pleased to comment on the Invitation to Comment, *Proposal to Establish an Accounting Standards Advisory Forum (ASAF)*.

We welcome IFRS Foundation's initiative to set up a special technical advisory forum to discuss the major issues related to the standard setting activities with representatives of national standard setters and regional bodies. In our view the ASAF might be a useful tool to gather input from different jurisdictions at the early stage of the development of the accounting standards.

As the size of the ASAF has to be limited in order to ensure its effectiveness each ASAF member should in our opinion be chosen based on the criterion of representativeness because the underlying assumption should be that as many individual standard setters as possible are represented at least indirectly in the ASAF by means of regional bodies.

After having analyzed how Europe could be best represented in the ASAF we reached the conclusion that first of all EFRAG seems to us the best platform to collect and discuss the input at the European level and to elaborate the key views that would be presented at the ASAF level. Furthermore EFRAG already plays a very important role in Europe as regards the promotion of and support for engagement of all (also small and less resourced) standard setters in the IASB projects.

Recognizing the fact that EFRAG has wide experience in consultation and cooperation with European national standard setters as well as its structure and procedures are transparent and subject to ongoing improvements we perceive EFRAG as the best candidate to be a member of the ASAF which could ensure that the views not only from the big European standard setters but also from the smaller ones would be considered before presenting "European views" to the IASB.

We support the phasing-out of convergence and the introduction of one common multilateral consultation Forum with the aim to develop accounting standards that would be globally accepted. In this light the objective of the ASAF needs to be very clearly articulated in order that there will be no doubt that the ASAF will be a strictly technical body with an advisory role and that it should not develop into a political forum.

Having expressed our general support for the ASAF establishment we have nevertheless some concerns as regards the detailed provisions of the proposal which are explained in the appendix.

Kind regards,

Joanna Dadacz
Chairman
Polish Accounting Standards Committee

Cc: EFRAG Supervisory Board

Appendix

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?

We generally support the proposal that ASAF members should commit themselves to some activities like encouraging and providing input from jurisdictions that they represent. However, the list of commitments in paragraph 6.4 seems to contradict with the character of the ASAF as a global technical advisory forum, because the commitments proposed are drafted in a way as each ASAF member would represent jurisdictions that have already implemented IFRS (see paragraph 6.4.3). Furthermore there are also requirements that can be met only either by a standard setter or a regulator. As we think that important standard setters from jurisdictions that have not yet adopted IFRS should not be excluded from this Forum we would suggest to reconsider the detailed wording of commitments in order that all potential ASAF members would be able to sign them and that the commitments would not exceed the legal remits of the organisations that will be appointed to the ASAF.

From the point of view of the European Union in which a special endorsement procedure for IFRS is established we would like to underline that the commitment in paragraph 6.4.4 should not pre-empt the future EU endorsement decisions on particular standards.

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 general geographical composition of the ASAF. However, the proposal is not quite clear on the appointment mechanism, it does not stipulate how and by whom the ultimate decision on the detailed composition of the ASAF will be made. In this light it seems to us that a key aspect of such a decision should be the representativeness of the participants. Especially in cases where many national standard setters have to be represented by a single organisation. Therefore in our view the appointment procedure should be transparent and the reasons for certain appointments should also be disclosed.

We believe that a potential ASAF candidate representing many national standard setters should have a well functioning multi-level consultation system, because only such a mechanism can ensure that as many as possible standard setters that cannot directly participate (in the ASAF) would be involved and have the opportunity to provide their input to the representing regional body.

For the reasons above we would like to recommend EFRAG to the membership in the ASAF as the primary organisation in Europe which has a well developed consultation process with national standard setters, is transparent and plays a significant proactive and reactive role in the IASB's standard setting process.