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Mr Warren Mc Gregor
International Accounting Standards
Board
30 Cannon Street
London EC4M 6XH
United Kingdom

**Subject: IASB draft "Memorandum of Understanding on the role of
Accounting Standard setters and their relations with the IASB"**

Dear Mr Warren Mc Gregor,

Thank you for the opportunity to comment on the IASB draft "Memorandum of Understanding on the role of Accounting Standard Setters and their relations with the IASB". I welcome the IASB's intention to clarify the role of the Accounting Standard Setters (NSS) in the international standard setting process. The Commission and Member States are pleased to provide the following comments on the different sections on the draft:

(1) Background

The document only refers to Accounting Standard Setters (NSS). I consider that the IASB should extend the scope of the MoU to other official bodies concerned with standard setting. This approach was already taken on board in the IASCF Constitution review.

(2) Communication

The IASB acknowledges the difficulties in communicating with all of its relevant constituencies due to their large number and wide variety. Nevertheless, due to the urgent need of promoting IFRS worldwide acceptance, I would urge the IASB to dedicate additional resources to this task.

I welcome the IASB's intention to make relevant information available on a timely basis, in particular in relation with the IASB work-programme. More regular meetings with NSS should also be considered.

(3) Project role

I consider that the Memorandum of Understanding should just refer to the possibility that either the IASB or some national standard setter direct a project team, without mentioning any particular standard setter;

(4) Application of standards

I welcome the IASB intention to provide a reasonable lead time to allow the endorsement process of IFRS in each constituency. From our own experience, I believe that the IASB should extend the implementation deadline by proposing the standards and interpretations to become operative for annual financial statements covering periods beginning or after 10 months of its publication. This extension will allow us, and other constituents, to proceed with their endorsement process while ensuring that their undertakings can continue to make an unreserved statement of compliance with IFRSs.

(5) Interpretation

The draft MoU seems to accept that NSS issue own interpretations on matter that do not have broad relevance (Consultative paper on IFRIC uses the term "domestic importance only"). However, it is not clear how such local issues should be identified. There is a consensus that there is a need to avoid the risk of conflicting action. I think that we should continue the discussions with the main stakeholders to determine who plays which role. In Europe, this issue is currently being discussed following the initiative of EFRAG and with the participation of the Commission, IASB/IFRIC, CESR, EFRAG, FEE, the Big Four, national standard setters and preparers.

We appreciate the opportunity to respond to this draft MoU. I hope that you will take into considerations our comments. We remain at your disposal should you need further clarification (Mr Jürgen Tiedje on 32.2.295 05 25).

Yours sincerely,

Alexander Schaub