



From: Financial Reporting Standards Committee

Our response to the issues identified in the Trustees Strategy review is given below.

#### A Mission

*The public interest should be defined as helping to reinforce the sound international functioning of market economies. Standard-setters should be required to address the effects of proposed standards on the capital market, and while privileging information for the functioning of the capital market, should consider the consequences for all significant groups of users. The IASB should attempt to make greater use of existing research that is available in this area.*

#### B Governance

*Committee members are divided on this issue. Some feel that the official independence of the Trustees is an important part of the governance structure and should be retained. Others feel that while the present structure has served for the first decade, in the future countries that have adopted IFRS need now to be given the opportunity to be represented in the governance structure. They also feel that representation in the governance structure should be tied to a contribution to the costs of the IFRS Foundation. They suggest a two-tier structure with a large council and a much smaller management committee, which would replace both Monitoring Board and Trustees.*

## C Financing

*The Committee thinks that being dependent on voluntary contributions is undesirable and possibly not sustainable in the long term. We would prefer to see a levy on listed companies, or a compulsory contribution from countries and organisations participating directly in the governance structure, or a combination of the two. We acknowledge the considerable efforts of the Trustees in this area but feel that, like the FASB, the IASB should move towards obligatory funding.*

## D Process

*Existing due process has stood the test of time but could be augmented with continuing outreach and more advanced field-testing in significantly different environments for major projects. More effort should be made to bring preparers more fully into the process. More resources should be devoted to achieving consistent implementation, including more systematic inclusion of wording to address circumstances where legal differences produce different transactions. We would encourage the IASB to make more use of academic research.*