



COMMITTEE OF EUROPEAN SECURITIES REGULATORS

IFRS Foundation

30 Cannon Street
London, EC4M 6XH
United Kingdom

Date: 24 November 2010
Ref.: CESR/10-1344

RE: *The annual improvements process: Proposals to amend the Due Process Handbook for the IASB*

The Committee of European Securities Regulators (CESR), through its Standing Committee on Corporate Reporting (CESR-Fin), has considered the IFRS Foundation's proposals to amend the IASB's Due Process Handbook with regards to the annual improvements process.

We thank you for this opportunity to comment on your proposals and we are pleased to provide you with the following comments.

We broadly support the proposed amendments to the Due Process Handbook to include enhanced criteria to assist the IASB (and its constituents) in determining whether issues arising with IFRS should be dealt with as part of the annual improvements process. In the past, we have questioned whether amendments proposed as annual improvements were always suitable, or whether they were either too major or too minor in nature. We believe that having clear criteria for amendments to be included in the annual improvements process should help avoid this in future.

We believe that the criteria proposed by the IFRS Foundation are appropriate. However, we note that there is a fine distinction between clarifying guidance and interpretations, with the latter being within the remit of the IFRS Interpretations Committee. We encourage the Trustees to consider whether the proposals are sufficiently clear for the IASB and the IFRS IC to readily determine whether there is a need for clarifying guidance (to be prepared by the IASB) or an interpretation of the appropriate accounting treatment required by IFRSs (to be prepared by the IFRS IC), and also to review how the IASB and the IFRS IC apply these criteria in practice.

I would be happy to discuss all or any of these issues further with you.

Yours sincerely,

Carlos Tavares
Chairman of CESR