



29 November 2010

Tommaso Padoa-Schioppa  
Chair of the Trustees  
IFRS Foundation  
30 Cannon Street  
London EC4M6XH  
United Kingdom

Dear Mr. Padoa-Schioppa:

Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera (CINIF), the accounting standards setter body in Mexico welcomes the opportunity to submit its comments to the Trustees of the IFRS Foundation on **The annual improvements process: Proposals to amend the Due Process Handbook for the IASB Consultation Document (CD)**. Set forth below you will find our comments on the CD.

Regarding an annual improvements project in the **Criteria for Annual Improvements-Introduction and invitation to comment** received from you it is stated:

- a) "The primary objective of the project is to enhance the quality of existing International Financial Reporting Standards (IFRSs). This objective is achieved by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. Amendments are made to IFRSs through the annual improvements process when the amendment is considered non-urgent but necessary."
- b) "Amendments that clarify IFRSs generally address unclear wording in the standards or provide additional guidance to fill a gap in IFRSs. These amendments maintain consistency with the principles of existing IFRSs and do not introduce new principles or make changes to existing ones."
- c) "Amendments that correct IFRSs may seek to resolve a conflict between existing requirements of IFRSs. They might also address an oversight or relatively minor unintended consequence of the requirements of existing IFRSs. For example...These amendments do not propose new principles or change current ones, but, where necessary, may create an exception from an existing principle."

We are in agreement with the objective of the annual improvements as stated in paragraph a) above. However, we believe that creating exceptions from existing principles, as described in paragraph c) above, may modify those principles in such a way that in fact new principles are

created. For this reason we are not in agreement with the proposed criteria for assessing whether a matter relating to the clarification or correction of IFRSs should be addressed using the annual improvements process.

We are in agreement with the proposed paragraphs 27A and 65B. However, we do not agree with paragraph 65A which in our opinion should be modified to eliminate in (ii) the sentence "...but may create an exception from existing principle." Also, subparagraph (d) of paragraph 65A should be eliminated since it is unacceptable that amendments may be made to IFRSs that are the subject of a current or planned project and thus are still in process of been issued to due process.

★ ★ ★ ★ ★

Should you require additional information on our comments listed above, please contact me or J. Alfonso Campana-Roiz at 00-52-55-55965633 or 00-52-55-55965634 or by e-mail at

[fperezcervantes@cinif.org.mx](mailto:fperezcervantes@cinif.org.mx) with copy to [acampana@cinif.org.mx](mailto:acampana@cinif.org.mx)

Sincerely,

C.P.C. Felipe Perez Cervantes

President of the Mexican Financial Reporting Standards Board  
Consejo Mexicano para la Investigación y Desarrollo de Normas de  
Información Financiera (CINIF)