

# **NIPPON KEIDANREN**

## **《Japan Business Federation》**

3-2, OTEMACHI 1-CHOME, CHIYODA-KU, TOKYO 100-8188, JAPAN

Telephone: +81-3-6741-0132

Facsimile: +81-3-6741-0332

E-mail: kigyo-kaikei@keidanren.or.jp

November 30, 2009

IASC Foundation  
30 Cannon Street  
London EC4M 6XH, United Kingdom

### **Comments on IASC Foundation Part 2 of the Constitution Review** ***Proposals for Enhanced Public Accountability***

Nippon Keidanren pays all respect to the IASC Foundation (IASCF)'s effort to enhance the organization's governance and the public accountability, and we also appreciate this opportunity to comment on Part 2 of the Constitution Review "Proposals for Enhanced Public Accountability".

Our comments are as follows.

#### **Question 5**

Although we do not have any objections to the proposal in Question 5, we would like to request the IASCF to appoint Trustees of the IASCF or the Board members of the IASB taking the good balances into consideration in terms of the geographical allocation, the professional backgrounds such as preparer, user or academic communities and the track record of each member in his/her career.

#### **Question 10**

When judging the renewal of Board members, such decision should be fully examined by considering the performance assessment of relevant Board member during his/her initial term.

#### **Question 11**

According to the proposal, it is stated that "the Trustees have agreed that there is no need to include a specific amendment or new provision to permit a shorter due process", but "it might be helpful to include a provision that the Trustees have the authority to agree to amend due process in exceptional circumstances".

The IASB's due process including dialogues with market constituents should be fully secured and, therefore, careful consideration is indispensable as to the subject of the review, even though a swift response is required in case such as the recent financial crisis. Moreover, in the countries which use languages other than English as official

**NIPPON KEIDANREN**

**《Japan Business Federation》**

3-2, OTEMACHI 1-CHOME, CHIYODA-KU, TOKYO 100-8188, JAPAN

language like Japan, the fact that extra time and the burden or cost for translation are necessary cannot be ignored.

Although we do understand the intention to include such provision to a certain extent, we believe that current IASB's due process framework is of minimum standard to maintain prudent consideration. Even in exceptional circumstances, due process framework should not be abridged easily, and strict implementation of such framework must be secured. Furthermore, under the circumstance that the IASB conclude not to reflect objections from many parties into standard-setting, the IASB should fully and thoroughly explain the process of the discussion and the reason the IASB decide to take its position contrary to many objections.

Sincerely,

Nippon Keidanren  
Business Infrastructure Bureau