



16 September 2009

To: **Members of the Hong Kong Institute of CPAs**  
**All other interested parties**

**INVITATION TO COMMENT ON IASCF DISCUSSION DOCUMENT OF PART 2  
OF THE CONSTITUTION REVIEW – PROPOSALS FOR ENHANCED PUBLIC  
ACCOUNTABILITY**

***Comments to be received by 16 November 2009***

The Hong Kong Institute of Certified Public Accountants' (Institute) Financial Reporting Standards Committee (FRSC) is seeking comments on the International Accounting Standards Committee Foundation (IASCF) Discussion Document which has been posted on the Institute's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>.

The proposals contained in the Discussion Document build on governance enhancements implemented as a result of the first five-yearly Constitution Review, completed in 2005. They follow the recent establishment of a public accountability link to a Monitoring Board of capital market authorities as a result of the first part of this review.

The objectives of the proposals are to enhance further the governance of the organisation, improve the involvement of stakeholders with a broad range of perspectives in both developed and emerging markets, and make operational improvements. The key proposals seek to:

(1) Enhance the IASB agenda-setting processes

- The Trustees propose an amendment aimed at enhanced consultation on the standard-setting agenda with the Trustees and the Standards Advisory Council, with a possibility for others to comment.

(2) Expand the IASB's liaison with other organisations

- The Trustees call for greater flexibility in Constitutional language to emphasise the desirability of expanded liaison, not only with accounting standard-setters, but with other official organisations with an interest in the standard-setting process. For example, with the support of the Monitoring Board and the Trustees, the IASB recently established an enhanced technical dialogue with prudential supervisors and other stakeholders.

(3) Establish a procedure for the possibility of an accelerated due process

- The Trustees believe that there should always be some form of public consultation. At the same time, the present provisions allowing a 30-day accelerated process are generally sufficient. However, in exceptional circumstances, the Trustees could allow a shorter period of consultation. These exceptional occasions would be when major unforeseen developments arise.

(4) Provide further geographical balance among the Trustees

- Responding to requests from commentators, the Trustees have recognised the need to take account of Africa and South America in their composition as had been done for the IASB.

(5) Change the name of the organisation to the IFRS Foundation to provide clarity regarding the Foundation's mission

- In response to feedback that the names currently in use often lead to confusion, the Trustees propose changing the name of the organisation to the International Financial Reporting Standards (IFRS) Foundation. For consistency, the Trustees also propose mirroring this change of name by renaming the IASB as the IFRS Board.

In accordance with the Institute's Convergence Due Process, comments are invited from any interested party. The FRSC would like to hear from both those who do agree and those who do not agree with the proposals contained in the IASCF Discussion Document.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the IASCF Discussion Document to be considered, they are requested to be received by the Institute on or before **16 November 2009**.

Comments may be sent by mail, fax or e-mail to:

Steve Ong  
Director, Standard Setting  
Hong Kong Institute of Certified Public Accountants  
37<sup>th</sup> Floor, Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong

Fax number (+852) 2865 6776  
E-mail: [commentletters@hki CPA.org.hk](mailto:commentletters@hki CPA.org.hk)

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.