



International Accounting Standards  
Committee Foundation®

# Press Release

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## **Trustees publish proposals aimed at enhanced accountability and stakeholder outreach**

The Trustees of the International Accounting Standards Committee Foundation (IASC Foundation), the oversight body of the International Accounting Standards Board (IASB), today published for public comment proposals that form the second part of a two-part review of the IASC Foundation Constitution.

The proposals 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:

- **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.
- **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.
- **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.

- **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.
- **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.

Commenting on the publication of the consultation document, Gerrit Zalm, Chairman of the Trustees of the IASC Foundation, said:

Responding to feedback from the G20 and others, Trustees have already made significant enhancements to the governance and public accountability of the IASC Foundation within the first part of the Constitutional Review. The Monitoring Board is established and has met with Trustees on several occasions.

We now turn our attention to other areas that we have been asked to consider by interested parties. The proposals seek to provide further enhancements, and I look forward to hearing views through the consultation exercise and the upcoming round-table discussions.

The consultation document *Constitution Review - Proposals for enhanced public accountability* can be viewed on the Open for Comment section on the IASC Foundation website ([www.iasb.org](http://www.iasb.org)). The closing date for comments is 30 November 2009.

**END**

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## **Notes for editors**

### ***About the Constitution Review***

The Constitution of the IASC Foundation requires the Trustees to undertake a five-yearly Constitution Review. The first Constitution Review was completed in June 2005 and led to a number of improvements to the constitution. The second Constitution Review began in January 2008 with a target date for full completion of the review by **2010**. Following discussions with stakeholders, the Trustees determined that the process for the Constitution Review 2008 should be split into **two** parts. Part 1 dealt with the governance and public accountability of the IASCF Foundation (the creation of a Monitoring Board) and the size and composition of the IASB. This part was concluded in January 2009. Part 2 addresses the full range of constitutional issues that were not addressed in the first part of the review, such as the possible need for emergency due process procedures, funding arrangements and the IASB's agenda-setting procedures. The completion of Part 2 of the Constitution Review is envisaged for the first half of 2010. More details on the timeline and Part 1 and Part 2 of the Constitution Review are available on the website ([www.iasb.org/constitution+review](http://www.iasb.org/constitution+review)).

### ***About the IASC Foundation***

1. The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees. Six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six from North America, and four from any region.
2. The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high-quality, global accounting standards that require transparent and comparable information in general-purpose financial statements. The IASC Foundation is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations.