



Ms Tamara Oyre
Assistant Corporate Secretary
IASCF – International Accounting Standards
Committee Foundation
30 Cannon Street
London, EC4M 6XH
United Kingdom

30 November 2009

Dear Madam,

RE: SECOND PHASE 2010 IASCF CONSTITUTION REVIEW

BUSINESSEUROPE welcomes the opportunity to comment on the proposals for enhanced public accountability in the context of the second phase of the 2010 IASCF Constitution Review.

It is crucial that the public accountability of the organisation is enhanced and that the IASB specifically addresses concerns about proposed standards. Too often a large majority of comments that are submitted to the IASB in response to a proposed standard are rejected because they have raised no new arguments. This is regrettable and we believe that the fact that comments repeat and emphasise earlier concerns should be taken seriously by the Board prompting it to reconsider the concerns and arguments in question and explicitly address them.

Our comments on the proposals for enhanced public accountability are set out in the appendix to this letter and can be summarised as follows.

- The IASB should remain an accounting standard setter which exclusively publishes mandatory standards for the preparation of financial statements. Other financial reporting issues should remain the responsibility of market regulators only and we therefore believe that the IASCF and IASB should not change names to avoid uncertainty about the mandate of the organisation.
- Regarding the Monitoring Board, we support the liaising between “political authorities” and the IASCF but we regret that membership of the Monitoring Board is limited to capital market regulators. Market regulators are not “political authorities” as such in our view even though they play an important role in the area of financial reporting.



Lastly, we strongly believe that the organisation of public consultations prior to the making of agenda decisions is an important enhancement which should lead to increased public accountability of the IASCF. As the present Constitution indicates, IFRS are not an end in themselves but have to “help participants in the world’s capital markets and other users to make economic decisions”. The results of such public consultations should assist the Trustees in ensuring that the Board’s agenda indeed focuses on real capital market needs, identified in an evidence-based manner in conjunction with capital market participants.

As stated above, our detailed comments and proposals are set out in the appendix to this letter.

We remain at your disposal, should you wish to discuss these comments in more detail.

Yours sincerely,

Jérôme P. Chauvin
Director
Legal Affairs Department
Internal Market Department