



FEDERATION  
BANCAIRE  
FRANCAISE

*Banking supervision  
And Accounting issues Unit  
The Director*

Paris, December 14<sup>th</sup> 2012

**FBF Comments on IFRS Foundation Proposal to Establish an Accounting Standards Advisory Forum.**

Dear Sir,

The French Banking Federation (FBF) is pleased to have the opportunity to comment on the Proposal to Establish an Accounting Standards Advisory Forum.

The IFRS foundation proposes to create a formal advisory body of National Standard Setters and regional bodies. This initiative aims to formalise and to rationalise the relationships with the standard-setting community which are currently organized through bilateral arrangements.

The Accounting Standards Advisory Forum (ASAF) will be established alongside all the IASB's formal and consultative bodies that provide the IASB a network of input and consultation by a wide range of interested parties.

The role of the ASAF is to provide advice on technical issues and to provide input on national and regional issues. The latter is the major role of the ASAF in order to help the IASB to be more responsive to priorities of jurisdictions that have already adopted IFRS standards or that are underway of adoption. Therefore, we believe that emphasis within this new body should be put on depth analysis of the local consequences of the application of global accounting principles.

The ASAF should focus on a better understanding of what constitutes geographical interests in relation with accounting matters. This better understanding of relevant local priorities of countries would benefit to the achievement of global coverage of IFRS standards through the regions instead of leaving jurisdictions disappointed of their commitments to a single set of global standards.

**Mr Michel PRADA  
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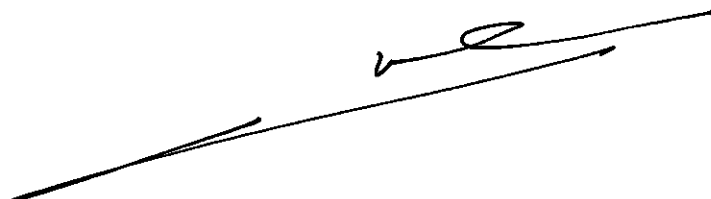
The size and the composition of the ASAF should be defined under the same concerns. We question the limited membership within the ASAF left to European Union. The consultation paper proposes to allocate 3 seats to Europe including a non-EU member. In other words, the European Union has 2 seats in the ASAF out of 12. Although some jurisdictions have programs underway to converge with the IFRS, the European Union is currently one of the few jurisdictions and the most important one that requires for its publicly traded companies to prepare their consolidated reporting in conformity with the IFRS and to report under IFRS standards.

We have already highlighted in previous IFRS consultations related to the IFRS governance the fact that the European Union plays an important role in the development and implementation of IFRS standards. We believe consideration should be taken for the scale of the implementation of the IFRS standards within a jurisdiction and the true willingness of the jurisdiction to be committed to the IFRS standards as globally accepted high quality accounting standards, notably through its process of endorsement of the IFRS standards. We believe this issue should be taken into consideration by the IFRS organisation when allocating the memberships of the European Union within the IFRS various bodies compared to the other countries memberships.

As far as the composition of the ASAF is concerned, we advocate that seats should be primarily allocated to national standard setters or regional bodies of jurisdictions where IFRS standards are compulsory. Indeed, such jurisdictions are in a better position to provide feedback on operational experience of IFRS standards application. Therefore we advocate reviewing the representation of the European Union in the ASAF so that its membership to the ASAF truly reflects the prominent role of the European Union in adoption and promotion of the IFRS.

We hope you find these comments useful and would be pleased to provide any further information you might require.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jean-Paul Caudal', is written over a long, thin horizontal line that serves as a signature line.

Jean-Paul Caudal