

Brussels, 20 December 2012

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**Subject: EBF Response to the IFRS Foundation Proposal to Establish an Accounting Standards Advisory Forum**

Dear Mr Prada,

The EBF welcomes the possibility to comment on the proposal to establish the Accounting Standards Advisory Forum (Forum).

While the EBF supports the objective of the IFRS Foundation and the IASB to formalize, rationalise and streamline the relationships with the national standard setters and other regional bodies, it is important that the IASB continues engaging in regular dialogue with all the relevant stakeholders.

The EBF questions the limitation of the size of the Forum to 12. It is important that the forum is representative to avoid any possible detrimental impact on the global adoption of the IFRS as a result of inputs from a limited number of jurisdictions. The EBF does not share the concern that only limited size would ensure effectiveness and efficiency of the discussion. It is believed such view is supported by the composition and size of other groups within the IFRS Foundation as well as the IASB Board. As far as the European Union is concerned, we do not believe the assigned number of seats can be considered adequate also given EU's prominent role in adoption and promotion of the IFRS.

The EBF would see the benefit in EFRAG participating in the Forum given its regional character, capacity and key role in the endorsement of the IFRS in the European Union. Concerning the representation of standard setters, there may be a case for consulting the European Commission upon the involvement of smaller Member States.

While the EBF agrees that members of the Forum should be committed to support the IFRS Foundations' mission to "develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards" and some kind of positive general statement of support is necessary, given that it is anticipated that some participants will not be

IFRS adopters, it is questioned whether it is realistic to expect the adoption of the Memorandum of Understanding as proposed and whether this will not prevent certain jurisdictions from participation.

It is also believed that the role of the Forum should be further specified with focus on cooperation amongst members and collecting input from the constituents. For this to be achieved, the proper representativeness of the Forum is crucial.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Guido Ravoet', is written over a light blue circular stamp. The signature is fluid and cursive.

Guido Ravoet