



17 December 2012

Mr Michel Prada  
Chairman  
IFRS Foundation Trustees  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

*(By online submission)*

Dear Sir

**RESPONSE TO INVITATION TO COMMENT: PROPOSAL TO ESTABLISH AN ACCOUNTING STANDARDS ADVISORY FORUM**

The Singapore Accounting Standards Council appreciates the opportunity to comment on the Invitation to Comment: Proposal to Establish an Accounting Standards Advisory Forum (the “ASAF”) issued by the IFRS Foundation in November 2012.

**General**

We would like to commend the IFRS Foundation for re-affirming the importance of maintaining a network of national standard-setters (NSSs) and regional bodies as an integral part of the global standard-setting process. We strongly support the proposal to create a multilateral body that brings together the IASB and representatives of the global standard-setting community to engage in productive, in-depth discussions on major technical issues at an early stage in the IASB’s standard-setting process. We believe that the proposal is a timely one to ensure continued stakeholders’ confidence in the IASB’s standard-setting activities which would help the IFRS Foundation in meeting the challenges in achieving its foremost objective of developing a single set of high quality globally accepted accounting standards.

Our comments on the specific questions in the Invitation to Comment are as follows:

**Question 1**

Do you agree with the proposed commitments to be made by ASAF members (paragraph 6.4) and that they should be formalised in a Memorandum of Understanding (paragraph 6.5)? Why or why not?

We agree with the proposed commitments to be made by ASAF members and that they should be formalised in a Memorandum of Understanding. We consider that these are logical expectations put in place by the IFRS Foundation so that there would be productive discussions on technical issues such that the ASAF can be effective in providing essential technical advice to the IASB.

We believe that it is not the IFRS Foundation's intention for the 4<sup>th</sup> proposed commitment in paragraph 6.4 to compromise a NSS's legal responsibility to review new or revised IFRSs for adoption in its jurisdiction. As such, we recommend that the IFRS Foundation clarify this proposed commitment to avoid any unintended interpretation by NSSs who may have concerns on formalising this proposed commitment in a Memorandum of Understanding.

**Question 2**

The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paragraphs 6.7–6.13? Why or why not?

We agree with the IFRS Foundation's proposals on the size and composition of the ASAF.

Specifically, we agree with the IFRS Foundation's rationale to keep the ASAF membership at a reasonable size so as to achieve an effective debate on technical matters. On the proposed composition, we consider that on a whole, it represents fairly the scale of each region's capital markets relative to each other and as such, would be appropriate for the time being. However, it would be important for the IFRS Foundation to revisit the composition periodically based on global developments.

In addition, we believe that it would be a good opportunity for the IASB to leverage on the ASAF to discuss in greater depth and obtain inputs on technical issues from NSSs in smaller but internationally relevant capital markets that are not represented on the IASB. This effectively enables the IASB to more directly obtain the views and inputs from more jurisdictions which can provide a different perspective on the technical issues that are being deliberated by the IASB.

Giving a stake to a smaller capital market NSS would also dispel any notion that the IFRS Foundation is only interested in obtaining views from major capital markets. We believe this gesture would promote a greater sense of ownership of IFRSs and lead to greater acceptance of IFRSs as the single set of global accounting standards for all capital markets, large or small, in the world.

To that end, we see merit in the IFRS Foundation earmarking both the World at Large ASAF membership seats to NSSs in smaller but internationally relevant capital markets that are not represented on the IASB. Doing this would also address any concern that the ASAF jurisdictional membership would simply replicate that of the IASB's.

Other comment

*Rationalisation of the membership of the ASAF and the IASB Emerging Economies Group (EEG)*

We note that there could be an overlap between the members of the ASAF and the EEG and suggest that the IFRS Foundation consider if and how the membership of these two different groupings should be rationalised to avoid any possible overlap of roles.

We hope that our comments will contribute to the IFRS Foundation's consideration of the proposal to establish the ASAF. Should you require any further clarification, please contact Ivan Koo at [ivan\\_koo@asc.gov.sg](mailto:ivan_koo@asc.gov.sg).

Yours faithfully

Suat Cheng GOH (Ms)  
Technical Director  
Singapore Accounting Standards Council