



23 November 2009

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(By email: [toyre@iasb.org](mailto:toyre@iasb.org))

Dear Madam

**RESPONSE TO DISCUSSION DOCUMENT ON PART 2 OF THE CONSTITUTION REVIEW: PROPOSALS FOR ENHANCED PUBLIC ACCOUNTABILITY**

The Accounting Standards Council (ASC) appreciates the opportunity to comment on the Discussion Document on Part 2 of the Constitution Review: Proposals for Enhanced Public Accountability issued in September 2009.

2. In particular, we have some comments regarding the specific questions in the Discussion Document as below.

**Question 3**

**The Trustees seek views on their proposal to change section 2 as stated in the Discussion Document. Do you support the changes aimed at clarity?**

3. Our view is that the Constitution should include an express reference to principles-based standards, to show the IASCF's strong commitment towards a principles-based financial reporting framework. However, we agree on the point that the IASCF should focus on financial reporting for the private sector, and not widen its focus to the public and not-for-profit sectors.

**Question 8**

**Do you support the changes aimed at encouraging liaison with a broad range of official organisations with an interest in accounting standard-setting?**

4. We agree with this proposal, which explicitly states the IASB's commitment to closer collaboration with national standard-setters, such as the Singapore Accounting Standards Council, and other official organizations. This would include the Asian-Oceanian Standard-Setters Group (AOSSG), which brings together national standard-setters and market

constituents from major jurisdictions in the Asian-Oceanian region to provide the IASB with an Asian-Oceanian perspective on accounting issues.

#### **Question 11**

**The Trustees seek views on the proposal to insert in section 37 (to become section 38) of the Constitution an additional subsection as follows to allow the Trustees, in exceptional circumstances, to authorise a shorter due process period. Authority would be given only after the IASB had made a formal request. The due process periods could be reduced but never dispensed with completely.**

5. We do not agree with the Trustees' proposal. It is the due process and consultative regime that gives the IASB, as an international standard-setting body, its legitimacy, which also ensures that the standards are of high quality. If the period of consultation can be further reduced from the minimum 30 days, even under exceptional circumstances, it could compromise the standard-setting process. A minimum 30 day exposure period would give constituents time to consider and analyse the issues involved, and also minimize the possibility of a knee-jerk reaction by the IASB.

#### **Question 12**

**The Trustees seek views on the proposal to amend section 37(d) (to become section 38) of the Constitution as follows to expressly provide that the IASB must consult the Trustees and the SAC when developing its technical agenda.**

6. While we welcome the Trustees' proposal for the IASB to consult the Trustees and the SAC when developing its technical agenda, we do not think this is sufficient. A regular public consultation of the wider constituency should be carried out, which will provide the IASB with views from the various sectors and global constituents, such as the national standard-setters and related organisations. Of course, the IASB should retain its authority to set its own agenda, but it should take into consideration comments received from the public consultation, and be prepared to substantiate with reasons why it has decided on a particular agenda.

7. Should you require any further clarification, do contact me. Thank you.

Yours faithfully,

Dexter Tan  
Secretary, Accounting Standards Council