

Rådet för finansiell rapportering

The Swedish Financial Reporting Board

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IFRS Foundation Monitoring Board

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Dear Sirs,

Re: IFRS Foundation Monitoring Board: Consultative Report on the Review of the IFRS Foundation's Governance

The Swedish Financial Reporting Board is responding to your invitation to comment on the Consultative Report on the Review of the IFRS Foundation's Governance.

The Report focuses on the accountability and the independence of the IFRS Foundation and its bodies. Our view is that the present organization (the Monitoring Board, the Trustees and the IASB) should be kept also in the future. For this three-tier organization to be effective the roles must be clear.

For the organization to be recognized as the legitimate global standard-setter, the model must ensure external accountability. This role should within the organization be played by the Monitoring Board. We therefore support expanding the membership of the Monitoring Board in order to ensure this accountability. Members of the Monitoring Board should however in principle only represent jurisdictions applying IFRS. Also, as we are concerned that short-term political decisions without sufficient empirical support might prevail over a long-term need for stable high-quality reporting, we support the view that only regulators should be members of the Monitoring Board.

The Trustees has an important role in the governance of IASB. Consequently, the Trustees should also in the future carry out its present important duties, such as:

- Appointing the members of the IASB, the Interpretations Committee and the Advisory Council.
- Influencing agenda decisions and following up that the agenda is complied with.
- Ensuring that due process is carried out.

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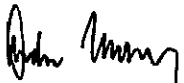
We strongly believe that the proposals will shift too much of the decision-making power from the Trustees to the Monitoring Board, e.g. by increasing the role for the Monitoring Board in the selection of IASB Chair and IASB members. The responsibility to appoint the IASB Chair and the IASB members should instead be the sole responsibility of the Trustees, which in its turn should be appointed by the Monitoring Board. In addition the Monitoring Board should follow up with the Trustees, as part of its function to ensure external accountability, that high quality standards are produced, due process is carried out and that standards are clear and understandable and are not brought about at any cost. As regards the public policy perspective the Monitoring Board should ensure that no pressure should be allowed to influence the objectivity of standards.

Independence is a cornerstone for the standard-setting of the IASB. The current arrangement for the Monitoring Board's involvement in IASB's agenda-setting process might diminish the independence of the IASB. We therefore do not support the proposal that the Monitoring Board should have an explicit ability to place an item on the agenda of the IASB, since this would clearly impose a new restriction in the decision-making power of the IASB. The IASB should make the final decision regarding the agenda also in the future, after consultation with the Trustees.

If you have any questions concerning our comments, please address our Executive member Carl-Eric Bohlin by email to carl-eric.bohlin@radetforfinansiellrapportering.se.

Stockholm, 31 March 2011

Yours sincerely



Anders Ullberg
Chairman