

# **Monitoring Board Meeting Minutes**

Date: 5 October 2015

Venue: Toronto

Note: Minutes of the meeting, summarizing the discussion held.

## **Minutes of the Meeting of the IFRS Foundation Monitoring Board Toronto, 5 October 2015**

On 5 October 2015, the International Financial Reporting Standards (IFRS) Foundation Monitoring Board (MB) met in Toronto.

Participants in the meeting were (in alphabetical order): Ugo Bassi (European Commission), Bert Chanetsa (Financial Services Board, Republic of South Africa, as Representative of the IOSCO Growth and Emerging Markets Committee), Masamichi Kono (MB Chair, Financial Services Agency, Japan), Greg Medcraft (Australian Securities and Investments Commission, Representative of the IOSCO<sup>1</sup> Board), Leonardo Porciúncula Gomes Pereira (Comissão de Valores Mobiliários (CVM) of Brazil), Mary Jo White (U.S. Securities and Exchange Commission), David Wright (Secretary-General of IOSCO, Representative of the IOSCO Board).

Yu Weiping (Ministry of Finance, People's Republic of China) and Xavier-Yves Zanota (Representative of the Basel Committee on Banking Supervision) participated in the meeting as observers.

Michel Prada, the Chair of the IFRS Foundation Trustees, participated in the first part of the discussion under the agenda item 1 by phone.

Masamichi Kono chaired the meeting.

### **1. The Review of Structure and Effectiveness and Funding of the IFRS Foundation Trustees**

Michel Prada, the Chair of the IFRS Foundation Trustees, reported on recent progress in taking forward the “Review of Structure and Effectiveness”<sup>2</sup> (hereinafter referred to as the “Structural Review”) undertaken by the IFRS Foundation Trustees, and also explained in brief the current funding situation of the IFRS Foundation.

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<sup>1</sup> International Organization of Securities Commissions (IOSCO)

<sup>2</sup> The “Trustees’ Review of Structure and Effectiveness” was published on 7 July, 2015 and is available on the IFRS Foundation website. (See [http://www.ifrs.org/About-us/IFRS-Foundation/Oversight/Trustees/Documents/WEBSITE\\_IFRS-Foundation-Trustees-Review%20-of-Structure-and-Effectiveness\\_JULY-2015.pdf](http://www.ifrs.org/About-us/IFRS-Foundation/Oversight/Trustees/Documents/WEBSITE_IFRS-Foundation-Trustees-Review%20-of-Structure-and-Effectiveness_JULY-2015.pdf))

The participants posed questions to Mr. Prada, and then discussed the role of the MB with respect to the Structural Review. Mr. Prada said among others that he would welcome any views of the Monitoring Board on the review. Mr. Prada also conveyed to MB members that the IFRS Foundation would like assistance from the regulatory authorities as the Foundation addresses the funding issues. While MB members decided not to express the group's views on the Structural Review in response to the call for comments, they agreed to stay in close touch with the Trustees as the work progresses, and make inputs or provide comments in due course. To this end, the MB decided to constitute a working group of the members' deputies to prepare a fuller discussion on issues related to the Structural Review at the MB's next meeting. It was recognized that the role of the MB could be affected by the outcome of the Structural Review, and any feedback from the MB should be discussed with the Trustees before finalization of the work. This discussion will continue at the MB's next meeting.

The Chair requested MB members and observers to nominate their representatives to the above mentioned working group. Indications of interest in chairing this working group were sought. A member expressed the view that the MB should not confine its discussion only to the questions raised in the Structural Review, and be open to discussing the overall governance framework of the IFRS Foundation.

## **2. The MB's activities in 2016**

The MB Chair reminded participants of certain activities for the MB in during 2016: a review of existing MB members against the MB's membership criteria, the completion of an extended screening process for applications to become permanent members, the appointment of rotating members in consultation with IOSCO, continuing a dialogue with the IFRS Foundation Trustees on the IASB Chair selection process, and the preparation of the next Governance Review Report. There was agreement on the Chair's approach.

One member presented a proposal containing a list of possible activities to be undertaken in 2016, along with a set of suggested timelines. MB members generally welcomed this proposal. It was agreed that, while the immediate focus of the MB should be on providing feedback to the Trustees' Structural Review, the MB should further discuss its work priorities in the next meeting.

### **3. Selection of New Monitoring Board Members**

#### **- Report on the status of extended screening for permanent member seats**

In accordance with the recommendations of the “Final Report on the Review of the IFRS Foundation’s Governance” issued in February 2012 and the agreement on the procedure for membership selection, the MB briefly reviewed and discussed the current status of the extended screening process for applications to become permanent members.

The Chair reminded members that the MB has committed itself to making a final decision on pending applications for permanent membership at its first meeting in 2016.

#### **- Report on the status of consultation with IOSCO for rotating member seats**

David Wright, the Secretary-General of IOSCO, reported on developments in the nomination process for the appointment of up to two rotating MB member seats in consultation with IOSCO.

The IOSCO Secretariat had made a call for nomination of candidates for rotating members during the period between 14 April and 12 June this year. In response to this call, there are presently two applicants, who are now subject to an internal screening process at IOSCO. The MB will be asked to review IOSCO’s nomination in due course.

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