

# IFRS Foundation Monitoring Board

Press release

21 December 2010

## **Monitoring Board Working Group Meets to Discuss Governance Review**

The Monitoring Board Working Group (Working Group) on Governance Review met on 6 December 2010 in Tokyo to continue its discussion of the review of the governance framework around the Monitoring Board and the IFRS Foundation as mandated by the Monitoring Board. The Working Group is issuing this release to provide clarity about the coordination between its own governance review and the strategy review undertaken in parallel by the Trustees of the IFRS Foundation.

### *Focus of work*

The fundamental question for the governance review is whether the current governance arrangements promote the IASB's primary mission of developing high quality, global accounting standards, while providing for both the accountability and independence of the IASB.

The primary focus of the Monitoring Board review is to address the institutional aspects relating to governance, in particular the composition and respective responsibilities and roles of the Monitoring Board, Trustees and IASB. The Monitoring Board asked the Trustees to report on operational aspects of governance, in particular the due process of the IASB and IFRS Interpretations Committee, emerging from the Trustees' Strategy Review and other oversight activities. The Monitoring Board and Trustees will communicate throughout their respective processes.

### *Procedure and timeline*

The Monitoring Board intends to issue a consultation document in early February 2011 for public comment, with a comment period of two months. Further practical details concerning the Governance Review of the Monitoring Board and the Strategy Review of the Trustees will be provided in the coming months. Public meetings with stakeholders will be organized during the consultation period in Asia, Europe and the Americas. The Working Group will make available the comment letters received on the website of the Monitoring Board and intends to publish a corresponding feedback statement after the completion of the consultation process. It was also agreed to develop and publish an action plan for implementation of the proposals by the summer of next year.

The Chairman of the Working Group reaffirmed his commitment to coordinate closely with the Trustees' Strategy Review towards the final stages of the review processes.

*Background:*

The Monitoring Board at its 1 April 2010 meeting agreed to undertake a review of the governance framework around the Monitoring Board and the IFRS Foundation. The review should allow the Monitoring Board to assess whether the current governance structure adequately:

- \* provides appropriate representation for relevant authorities such as capital market and other public authorities;
- \* creates sufficient transparency and accountability of the IASB to relevant authorities such as capital market and public authorities;
- \* ensures the appropriate involvement of all relevant stakeholders in the standards elaboration process;
- \* ensures that all relevant public policy objectives are taken into account in the standard setting process; and
- \* protects the IASB's independent standard setting process.

The review would focus on the overall governance model of the IFRS Foundation including the composition of the Monitoring Board.

Separately, the IFRS Foundation Trustees on 5 November 2010 issued a consultation document on the Trustees' ongoing Strategy Review. The consultation period had been subsequently extended to 24 February 2011.

Further information is available at:

Monitoring Board press release:

[http://www.iosco.org/about/?subSection=monitoring\\_board&subSection1=press\\_releases](http://www.iosco.org/about/?subSection=monitoring_board&subSection1=press_releases)

The 28 October Monitoring Board meeting with the IFRS Foundation:

<http://www.ifrs.org/Meetings/Pages/MB-and-Trustees-meeting.aspx>

IFRS Foundation strategy review consultation document:

<http://www.ifrs.org/About-us/IFRS-Foundation/Oversight/Strategy-Review/Pages/Strategy-Review.aspx>

Press inquiries:

**Takashi NAGAOKA (Mr.)**

Director for International Accounting

Japan Financial Services Agency

Email: [t-nagaoka@fsa.go.jp](mailto:t-nagaoka@fsa.go.jp)

**Makoto SONODA (Mr.)**

Deputy Director, Corporate Accounting and Disclosure Division

Japan Financial Services Agency

Email: [makoto.sonoda@fsa.go.jp](mailto:makoto.sonoda@fsa.go.jp)