

IFRS Foundation Monitoring Board

Press release

2 May 2013

Monitoring Board agrees on procedure and time table for its membership assessment

Tokyo, Japan, 2 May 2013—The Monitoring Board today announced the outcome of its meeting held on 11 April in London. At the meeting, the Monitoring Board determined the procedure and time table for its membership assessment and selection, following agreement on the approach to assess current and prospective members against the membership criteria published on 1 March 2013. Additionally, at the meeting, the Monitoring Board discussed its strategic engagement with oversight activities, referring to the recommendations of the Monitoring Board Governance Review, and agreed to enhance its transparency.

Separately, on 11 April, the Monitoring Board had a joint meeting with the IFRS Foundation Trustees to discuss its Governance Review of the IFRS Foundation and the foundation's funding issues. In addition, the Monitoring Board received a report from the IASB and IFRS Foundation on recent IASB developments, the Accounting Standards Advisory Forum (ASAF), the Due Process Oversight Committee's activities, and an IFRS Foundation project to publish profiles describing jurisdictions' application of IFRSs.

Membership Assessment and Selection Procedure

The IFRS Foundation Monitoring Board published the Final Report on the Review of the IFRS Foundation's Governance published on 9 February 2012.

In publishing the report, a two-staged approach was taken with the view to properly respond to stakeholders' expectations by publishing the final report without further delay while avoiding a hasty decision on critical issues regarding assessment criteria and the process for evaluating membership. The approach essentially divided the project into two stages, where a broad design of measures for improving the Foundation's governance was laid down in the first stage, followed by the second stage, where details would be articulated for actual implementation.

At its 6 February 2013 meeting in Brussels, the Monitoring Board agreed on its approach to assess current and prospective members against the membership criteria, as contemplated following its Governance Review of the IFRS Foundation.

In the Final Report on the Review of the IFRS Foundation's Governance, the Monitoring Board decided to expand its membership to include additional authorities primarily from major emerging markets (a maximum of four, and not necessarily all added immediately) and also to establish a mechanism to allocate two rotating seats in

consultation with IOSCO.

At its meeting on 11 April, the Monitoring Board agreed on the following processes regarding assessment and selection of members. The Monitoring Board determined to commence assessment of existing members and the selection of new members in parallel.

Selection process of new member candidates (excluding rotating members to be selected in consultation with IOSCO)

- The Monitoring Board will issue a public call for nominations.
- The Monitoring Board will complete the selection of new members in accordance with the Monitoring Board membership criteria.

Selection process of rotating members to be selected in consultation with IOSCO

- After the Monitoring Board determines the selection procedure for rotating members in consultation with IOSCO, IOSCO will be requested to recommend new member candidates to the Monitoring Board (two or more).
- The Monitoring Board will complete the selection of rotating members in consultation with IOSCO in accordance with the Monitoring Board membership criteria.

Assessment process of existing members

- All existing Monitoring Board members will be assessed in accordance with the Monitoring Board membership criteria.

Next steps

The Monitoring Board will commence assessment of existing members and the selection of new members in accordance with the above procedure and anticipates completion of the process in 2013.

The Monitoring Board Charter and Memorandum of Understanding to strengthen the Institutional Framework of the International Financial Reporting Standards Foundation (MoU) with the IFRS Foundation Trustees will be updated in accordance with recommendations of Monitoring Board Governance Review. The amended charter and MoU will be published when finalized.

Transparency

The Monitoring Board agreed to enhance its visibility and transparency, including by publishing the transcripts of public meetings and the minutes of its private meetings sooner, and increasing the use of press releases.

Press enquiries

Monitoring Board of the IFRS Foundation

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Notes to editors

About the Monitoring Board of the IFRS Foundation

The members of the Monitoring Board are the Emerging Markets Committee of the International Organization of Securities Commissions (IOSCO), the IOSCO Board, the Financial Services Agency of Japan (JFSA), the European Commission, and the US Securities and Exchange Commission (SEC). The Basel Committee on Banking Supervision is an observer.

Through the Monitoring Board, capital markets authorities responsible for setting the form and content of financial reporting in respective jurisdictions will be able to carry out more effectively their mandates regarding investor protection, market integrity and capital formation.