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

Dear Mr. Takashi Nagaoka and Mr. Makoto Sonoda:

3-1-4. Inclusion of prudential regulators and other public authorities
“While the current structure of the Monitoring Board limits its membership to 'capital markets authorities' ..., the recent global financial crisis highlighted calls for increased involvement of prudential regulators in the accounting standard-setting process.” [Report, Page 17]

I believe that prudential supervisors can have perspective essential to a quality accounting standard-setting process and should comment publicly to the IASB.


“When a CFTC chairwoman named Brooksley Born took office in 1996, she said it looked like banks and companies were making trillions of dollars worth of private bets, and there was virtually no public information about them.” [Page 177]

“In the 1970's, Thomas Bomar, the chief executive of Freddie Mac, had fretted that pools of mortgages could lose value. Three decades later, in the frenzied market, they did. The housing market collapsed. The financial system itself came close to collapse. Taxpayers stepped in, rescued institutions, and paid off swaps trades to keep the financial markets functioning. Loans dried up, and the economy tipped into recession.” [Page 200] [Bold emphasis added. Quoted in part.]


USA Commodity Futures Trading Commission video archives, February 24, 2011: Two commissioners emphasized risk of more fraud, abuse and market manipulation related to underfunded rule making for the Dodd-Frank Wall Street Reform and Consumer Protection Act. CFTC oversight is expected to increase from $5 trillion to an unknown portion of $600 trillion when swaps now traded bilaterally are brought under regulation in July 2011. http://capitolconnection.net/capcon/cftc/webcastarchive.html#

The intelligence that can forewarn potential disasters is out there. All we have to do is pay attention and take mitigating actions. The Monitoring Board could use various approaches to fill the gaps.

Respectfully,

Caroline Walker  175 E Delaware Pl #6701, Chicago, IL 60611 U.S.A. caroline@walker-cfe.com

cc: United States Senators from Illinois: Senator Dick Durbin and Senator Mark Kirk. CFTC.