

April 7, 2011

IFRS Foundation Monitoring Board

c/o Mr. Takashi Nagaoka

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and

c/o Mr. Makoto Sonoda

Deputy Director, Corporate Accounting and Disclosure Division

Financial Services Agency of Japan

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Dear Sirs,

Response to the Consultative Report on the Review of the IFRS Foundation's Governance

This letter is the response of the Canadian Accounting Standards Board to the “Consultative Report on the Review of the IFRS Foundation’s Governance,” issued on February 7, 2011 (“the Consultative Report”). Information about the Accounting Standards Board is available at www.acsbcanada.org.

The Board fully supports the responses of its public interest oversight body, the Canadian Accounting Standards Oversight Council (AcSOC), in its March 29, 2011 letter to you. In particular:

- We agree that it is timely for the Monitoring Board to undertake a comprehensive review of its structure and relationship with the IFRS Foundation and the IASB. We encourage

the Monitoring Board to complete its review in close co-operation with the IFRS Foundation Trustees' strategy review. We urge the two bodies to arrive at co-ordinated outcomes.

- We think that the Monitoring Board should continue to fulfill its original purpose of providing public interest oversight of the IFRS Foundation and the IASB from a capital markets perspective that focuses on protecting investors and other market participants. That function helps to promote confidence in reported financial information, which is critical to the efficient functioning of capital markets.
- We do not agree that the Monitoring Board should have any greater involvement in the IFRS Foundation or the IASB than it currently does under the existing Charter and Memorandum of Understanding with the Foundation Trustees. Maintaining the independence of the standard-setting function, in both fact and appearance, is of paramount importance to the acceptance of IFRSs in the capital markets they are designed to serve. We disagree most strongly with the proposal that the Monitoring Board have the right to place items on the IASB's agenda.
- We think that the Monitoring Board should expand its membership and revise its operating procedures, along the lines laid out in AcSOC's letter, so that it can fulfill its purpose better. In particular, we agree that the Monitoring Board should limit its membership to capital market regulatory agencies and avoid official observer positions or advisory committees of individuals with other backgrounds. We also encourage the Monitoring Board to take steps to be more transparent in its activities.
- We endorse the Monitoring Board's proposals to the Foundation Trustees for the following improvements to the structure and operation of the Foundation and the IASB:
 - Deepening the pool of candidates for appointment to the IASB, with emphasis on the technical expertise of candidates.
 - Splitting the positions of Foundation CEO and IASB Chair and, similarly, separating the staffs of the Foundation and the IASB.

- Maintaining a geographic balance in Trustees' backgrounds.
- Enhancing the transparency of the process for appointing Trustees.
- Improving the application of due process for developing standards.

We do not agree with increasing the size of the IASB.

We thank you for the opportunity to provide input to your review of the issues raised in the Consultative Report. We would be happy to clarify or elaborate on any of the points raised in our responses, if you require. If so, please contact the undersigned at +1 416 204-3490 (email gord.fowler@cica.ca) or Peter Martin, Accounting Standards Director, at +1 416 204-3276 (email peter.martin@cica.ca).

Yours truly,

A handwritten signature in cursive script that reads "G. C. Fowler".

Gord Fowler, FCA

Chair,

Accounting Standards Board