



Financial Supervisory Commission, Executive Yuan, R.O.C.

行政院金融監督管理委員會

Securities and Futures Bureau

證券期貨局

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IFRS Foundation Monitoring Board

30 Cannon Street

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Dear Sirs,

**IFRS Foundation Monitoring Board-Consultative Report on the
Review of the IFRS Foundation's Governance**

I am responding on behalf of Securities and Futures Bureau ("SFB")
Financial Supervisory Commission("FSC"), R.O.C (Taiwan) to the
above consultation issued on February 7, 2011.

The SFB is the regulator of securities issuance, securities trading and
futures trading in Taiwan supervised by the FSC. The SFB is responsible
for facilitating national economic development and protecting investors'
interests. On May 14 2009, the FSC has announced the roadmap of fully
adoption IFRS in Taiwan starting from 2013.

The SFB appreciates that the Monitoring Board conducts the governance
review on crucial issues to promote the mission of establishing high

quality and global standards as well as ensuring the independence of the standards setting process. As the SFB is in the course of facilitating domestic companies to adopt IFRS, the SFB is concerned about the IFRS governance issues and is pleased to contribute our comments to develop Monitoring Board's future implementation proposal.

The SFB's detailed responses to the questions raised in the consultative document are set out in the appendix.

If you wish to discuss further any of the matters raised in this submission, please do not hesitate to contact Ms Chiu via email :chium@sfb.gov.tw.

Yours Sincerely,

Chi-Hsien, Lee
Director-General

Appendix: Responses to IFRS Monitoring Board's questions IASB

Question 1:

- Do you agree with the proposal to urge concrete efforts to deepen the pool of candidates for IASB membership from diverse geographical and professional backgrounds? Please provide reasons for your agreement/disagreement.

The SFB agrees that the proposal urges concrete efforts to deepen the pool of candidates for IASB membership from diverse geographical and professional backgrounds.

The SFB is aware that the world's major capital markets including in the current membership will enhance the quality of accounting standards. However, those jurisdictions which have required or have announced to require their listed companies to file IFRS financial reports need more opportunities to be involved in the IASB. Since those who use IFRS are the major users and stakeholders of IFRS, they should have a voice to the standard-setting decisions. Therefore, the SFB recommends the IASB should give priority to those who have committed to IFRS when selecting IASB members.

Question 2:

- Do you agree with the proposal to separate the roles of the IASB Chair and the CEO of the IFRS Foundation, and if so would you have suggestions on how to formalize this? Please provide reasons for your agreement/disagreement.

The SFB agrees with the separation the roles of IASB Chair and the CEO of IFRS Foundation.

Question 3:

- Do you agree that clearer division of responsibility between staff dedicated to the IASB operations and staff dedicated to the Foundation's administrative and oversight functions should be considered, and if so would you have suggestions on how to formalize this? Please provide reasons for your agreement/disagreement.

The SFB agrees with clearer division of responsibility between staff of IASB and that of IFRS Foundation's operations.

Trustees

Question 4:

- Please provide comments on any aspects of Trustee composition or appointments that you believe the Monitoring Board should consider.

The SFB recommends the Monitoring Board should consider improving the Trustee composition by including more diverse geographical and professional backgrounds members.

As stated in the Question 1, the SFB also suggests the Monitoring Board give priority to those who have committed to IFRS when appointing Trustees of the IFRS Foundation.

Question 5:

- Do you agree with the proposal to provide increased transparency into the process for Trustee nominations? Please provide reasons for your agreement/ disagreement. To what extent should the Monitoring Board be involved in the nomination process?

- Do you agree that further clarification of criteria for the Trustees' candidacy would help support confidence of the stakeholders? Please provide reasons for your agreement/disagreement.

The SFB agrees with the increase of transparency into process for Trustee nominations as well as the further clarification of criteria for the Trustees' candidacy would boost confidence of the stakeholders.

Monitoring Board

Question 6:

- Should the membership of the Monitoring Board continue to be confined to capital markets authorities responsible for setting the form and content of financial reporting in respective jurisdictions?

- Do you agree with the proposal to expand the Monitoring Board's membership by adding a mix of permanent members ([four]) representing primarily major emerging markets and rotating members ([two]) from all other markets? Please provide reasons for your agreement/disagreement. How should the major markets be selected? Should a jurisdiction's application of IFRSs and financial contribution to standard-setting play a role?

- Do you agree that rotating members should be selected through IOSCO? Please provide reasons for your agreement/disagreement.

The SFB believes that the Monitoring Board composition should not be confined to capital markets authorities.

The SFB agrees with the expansion of Monitoring Board's membership

from all other markets. For the selections of membership, the SFB supports that a jurisdictions' application of IFRSs should play an important role. Therefore, the SFB recommends the Monitoring Board to give priority to those who have committed to IFRS when selecting its members.

The SFB agrees with the rotating members to be selected through IOSCO.

Question 7:

- Do you agree that the Monitoring Board should continue to make its decisions by consensus? Please provide reasons for your agreement/disagreement. Are there any types of decisions taken by the Monitoring Board for which voting other than by consensus (for example, by qualified majority) may be appropriate? If so please describe why and suggest an appropriate voting mechanism.

The SFB agrees with the Monitoring Boards' current decision method.

Question 8:

- To ensure increased involvement of public authorities and other international organizations in Monitoring Board activities, do you support the Monitoring Board (a) expanding the number of Monitoring Board observers, (b) holding more formalized dialogue, or (c) establishing an advisory body, and on what basis? What should be the criteria for selecting participants?

The SFB currently has no comments for this question.

Question 10:

- What are the appropriate means and venues for the Monitoring Board to enhance the visibility and public understanding of its activities?

The SFB currently has no comments for this question.

Question 11:

- Do you believe that the current arrangements for Monitoring Board involvement in the IASB's agenda-setting are appropriate, or should the Monitoring Board have an explicit ability to place an item on the agenda, or would you consider other alternatives that would enhance the Monitoring Board involvement in the IASB agenda setting? Please provide reasons.

The SFB currently has no comments for this question.

Question 12:

- Do you have concrete suggestions on how the Monitoring Board or the Trustees could encourage a move towards a more stable and independent funding model?

The SFB currently has no comments for this question.

Question 13:

- Do you believe that the Monitoring Board should have a more prominent role in the selection of the IASB Chair? Do you agree with the proposal that the role include involvement in establishing a set of publicly disclosed criteria for the Chair, and assessment of a short list of candidates against those criteria? Please provide reasons.

- Do you believe that the Monitoring Board should be given any further, specific role in the selection of the IASB Chair? In particular, should the Monitoring Board approve the Trustees' final selection? Please provide reasons.

The SFB currently has no comments for this question.

Question 14:

- Do you agree that the Monitoring Board's responsibilities should explicitly include consultation with the Trustees as they further develop the framework to ensure proper balance in the composition of the IASB? Please provide reasons for your agreement/disagreement.

The SFB currently has no comments for this question.

Question 15:

- Do you agree with the proposal to consider establishing a permanent secretariat for the Monitoring Board to support its increasing roles in overseeing the governance of the standard-setter? Would you support this proposal even if it would require additional financial contributions from stakeholders? Please provide reasons.

The SFB currently has no comments for this question.

Other questions

Question 9:

- Do you believe that the current arrangements for the standard-setting process adequately ensure the appropriate involvement of all relevant stakeholders and that all relevant public policy objectives are taken into account? Please provide reasons for your agreement/disagreement.

The current arrangements for the standard-setting process seem not to adequately ensure the appropriate involvement of all relevant stakeholders and not all relevant public policy objectives are taken into account. Due to limited membership of IASB ,opinions from Asian region are not fully considered, which makes the standards deviate from the business practice of Asian .

Question 16:

- Do you agree with the need for regular reviews, and the interval of five years as a benchmark? Should the reviews be aligned with the timing of the Foundation's mandated Constitution reviews? Please provide reasons for your agreement/disagreement.

The SFB believes that the regular reviews with a frequency of five years would be adequate.

Question 17:

- Do you have any other comments?

The SFB has no further comments on this consultation.