CHAIRMAN

7 October, 2016

Mr. Michel Prada
Chairman
IFRS Foundation Trustees

IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Michel,

This is to follow up the continuing dialogue between the IFRS Foundation Trustees and the Monitoring Board regarding the Trustees’ Review of Structure and Effectiveness since the October 2015 Monitoring Board meeting.

As you recall, at the May 2016 Monitoring Board meeting, you explained the revised proposal about geographical distribution of the Trustees and the IASB. This proposal had been made subsequent to the Trustees’ discussion in May 2016 of the comments from the stakeholders in response to the 2015 Review of Structure and Effectiveness Request for Views. You noted that the Trustees would need to amend the IFRS Foundation Constitution to reflect these proposals and that an exposure draft would be published in order to solicit comments from stakeholders.

The proposed amendments to the IFRS Foundation Constitution published on 10 June 2016 are consistent with your explanation. The Monitoring Board does not object to Proposals 2 through 6 and 8 through 10.

Regarding Proposals 1 and 7, which relate to the geographical distribution of the Trustees and the IASB members, the Monitoring Board supports the general principles underlying the distribution, though no consensus exists on the Trustees’ proposed application of the geographical aspects of these principles.
The Monitoring Board thanks you for your continuing efforts to maintain and improve the structure and effectiveness of the IFRS Foundation and the continuing communications between the Trustees and the Monitoring Board regarding the decisions made regarding the Constitution and the reasons therefore.

Yours sincerely,

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Ryozo Himino