

Monitoring Board Meeting

(Minutes of the Meeting)

Date: 19 June, 2015

Venue: London

Note: Minutes of the meeting, summarizing the discussion held.

Minutes of the Meeting of the IFRS Foundation Monitoring Board London, 19 June, 2015

On 19 June, 2015, the International Financial Reporting Standards (IFRS) Foundation Monitoring Board met separately before its meeting with the IFRS Foundation Trustees.

The participants of the meeting included Paul Leder (U.S. Securities and Exchange Commission), Ugo Bassi (European Commission), Masamichi Kono (Financial Services Agency, Japan), Leonardo Porciúncula Gomes Pereira (the Comissão de Valores Mobiliários (CVM) of Brazil), Yong-Beom Kim (Financial Services Commission (FSC), Republic of Korea), Greg Medcraft (via phone, Australian Securities and Investments Commission, as Representative of the IOSCO¹ Board), David Wright (Secretary-General of IOSCO, as Representative of the IOSCO Board), and Bert Chanetsa (Financial Services Board, Republic of South Africa, as Representative of the IOSCO Growth and Emerging Markets Committee). Rene VanWyk (Reserve Bank of South Africa, as Representative of the Basel Committee on Banking Supervision) participated in the meeting as an observer.

1. Selection of New Monitoring Board Members

- Report on the status of extended screening for permanent member seats

In accordance with the recommendations of the “Final Report on the Review of the IFRS Foundation’s Governance” (February 2012) (hereinafter referred to as “the Governance Review”) and the agreement on the procedure for membership selection, the Monitoring Board reviewed and discussed the latest results of its extended screening process and reached a general agreement on future steps.

Recognizing the need to finalize the process in a timely manner, the MB agreed to assess progress in taking those steps at its meeting in early October, and make a final decision on full membership of the candidate no later than at its first meeting of 2016.

MB members shared a sense of urgency in completing the extended screening process for the candidate within the agreed time frame, and refocus its attention to monitoring the activities of the IFRS Foundation as its public oversight body.

¹ International Organization of Securities Commissions (IOSCO)

- Report on the status of consultation with IOSCO for rotating member seats

David Wright, the Secretary-General of IOSCO, reported on progress in the nomination process for the appointment of up to two rotating member seats in consultation with IOSCO.

The IOSCO Secretariat had made a call for nomination of candidates for rotating members during the period between 14 April and 12 June. In response to the call, there are two applicants which will be subject to an internal screening process at IOSCO. A working group consisting of current MB members which are also members of IOSCO and the IOSCO Secretary General will assess the eligibility of the candidates against MB criteria and the IOSCO nomination criteria.

2. Developments in Governance and Compliance Issues of the IFRS Foundation

The IFRS Foundation Trustees provided a draft of a written procedure and set of criteria for selection of the IASB Chair, the development of which was recommended in the Governance Review of February 2012. The recommendation of the Governance Review Report stated that “The Monitoring Board and the Trustees will document and publish the general arrangement for the selection process (for the IASB Chair).”

In the meeting of the MB on 19 June, the MB approved the written procedure and set of criteria for the selection of the IASB Chair.

3. Funding of the IFRS Foundation

According to the IFRS Foundation secretariat's report on financial contributions jurisdictions in 2015, there were still some jurisdictions which have adopted IFRSs but have not made financial contributions to the Foundation, while some jurisdictions made contributions for the first time.

MB members reconfirmed the importance of a stable funding source for the IFRS Foundation, and expected all jurisdictions using IFRS to make further efforts to secure financial contributions to the IFRS Foundation. While the task of securing appropriate funding for the IFRS Foundation is the primary responsibility of the Trustees, the Monitoring Board may also facilitate those efforts by, for example, helping to identify the relevant public authorities of non-paying jurisdictions.

4. European Commission's adoption of report on use of International Financial Reporting Standards in the EU

The European Commission made a presentation summarizing a report it had issued on the application of IFRS applicable to the consolidated financial statements of listed companies in the EU. While the key findings showed that IFRS created a common accounting language for capital markets, the report identified room for improvement in some areas. In relation to the MB, the EU recommended that it should refocus its attention from issues of internal organization to discussing matters of public interest that could be referred to the IFRS Foundation. MB members took note of this latter point, and agreed that the MB should finalize work related to the Governance Review and emphasize its monitoring work as the public oversight body of the IFRS Foundation going forward.

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