

10th March 2011

IFRS Foundation Monitoring Board

(By email: t-nagaoka@fsa.go.jp & makoto.sonoda@fsa.go.jp)

Dear Sirs,

RESPONSE TO CONSULTATIVE REPORT ON THE REVIEW OF THE IFRS FOUNDATION'S GOVERNANCE

The Institute of Certified Public Accountants of Singapore (ICPAS) appreciates the opportunity to comment on the above consultative report (CR) issued by the IFRS Foundation Monitoring Board on 7 February 2011. ICPAS is the national accountancy body in Singapore and represents more than 23,000 professionals to develop, support and enhance the integrity, status and interests of the profession.

The review of the IFRS's Foundation governance is important as it enhances the understanding of the needs of the stakeholders and raises public confidence. Our views for specific questions in the CR are as follows:

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.

We agree with the proposal to deepen the pool of candidates for IASB membership from diverse geographical and professional backgrounds. In developing a single set of high quality and globally accepted financial standards, it is important that the standards are applicable to various jurisdictions, and discussions among IASB members with appropriate diverse geographical and professional backgrounds would enhance the standards-setting process.

Apart from deepening the pool of candidates, we are also of the view that there is a need for the Constitution to include the consideration for representation of both developed and emerging markets. The structure of the capital markets varies significantly across

jurisdictions and there needs to be sufficient consideration on the applicability of the standards.

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.

We agree that a separation of the roles of the IASB Chair and CEO of the Foundation would safeguard both the perceived and actual independence of the standard-setting process. In view of the fact that both roles require extensive commitment of time, it is more beneficial for the CEO to focus his or her role on the day-to-day management and administration of the organisation, while the Chair deals with activities directly related to standard-setting.

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.

We agree that there should be a division of responsibility between staff dedicated to the IASB operations and staff dedicated to the Foundation's administration and oversight functions to avoid undue conflicts of interest.

Trustees

Question 4

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

We recommend that the Trustee composition should be made up of members with appropriate diverse geographical and professional backgrounds and include representation from both developed and emerging markets.

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.

We agree that an increased transparency is required for the Trustee nominations process. The current involvement by the Monitoring Board appears adequate. However, as the nomination process and criteria is not disclosed to the public, it may cast doubt over the candidate selection process and rationale for selecting the appointed candidate.

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.

We have no comments over the membership of the Monitoring Board.

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.

We have no comments over the process of decision making by the Monitoring Board.

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?

We have no comments over the involvement of public authorities and other international organizations in the Monitoring Board activities.

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.

We are of the view that the current arrangement has not provided adequate consideration for the involvement of candidates from the developed and emerging markets at both IASB and Trustee levels.

Question 10

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

We have no comments over the means and venues for the Monitoring Board to enhance the visibility and public understanding of its activities.

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 primary roles and responsibilities borne by the Monitoring Board pertain to the oversight of the Trustee. The tripartite structure was set out to foster independence of the standard-setting process and avoids undue influence that the Monitoring Board has over the IASB. In our view, the Monitoring Board should have neither the explicit nor implicit ability to place an item on the agenda. This would instil public confidence over the independence and objectivity of the agenda-setting process.

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?

We have no comments on the funding model of the Monitoring Board or the Trustees.

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.

We are of the view that the Monitoring Board should not be involved in the selection of the IASB Chair. It appears that due to the current dual role of the IASB Chair, there are certain functions in IASB's operations that require accountability to the Monitoring Board. As such, with our suggestion to remove the dual role in question 2, we do not see a need for the Monitoring Board to provide nominations or approve the IASB Chair.

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.

We do not 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.

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.

We do not view that there is a need for a permanent secretariat as we do not agree with the increasing roles proposed for the Monitoring Board.

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.

We agree with the need for regular reviews, and the interval of five years as a benchmark. The five years benchmark is appropriate as it takes into consideration the process of standard-setting, standards implementation and stabilisation in the market.

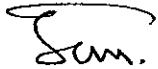
Question 17

Do you have any other comments?

We have no further comments.

Should you require any further clarification, please feel free to contact Ms Grace Chua, Technical Manager, from ICPAS via email at grace.chua@icpas.org.sg.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Janet Tan".

Janet Tan
Executive Director

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