



Federation of European Accountants

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Sent by email:
commentletters@ifrs.org

Brussels, 21 September 2016

Subject: The Federation of European Accountants comments on the Exposure Draft: Trustees' Review of Structure and Effectiveness: Proposed Amendments to the IFRS Foundation Constitution

Dear Mr Prada,

The Federation of European Accountants (FEE) is pleased to provide you below with its comments on the above mentioned Exposure Draft (ED). Our comments focus on *Proposal 5: the size of the Board* and on *Proposal 6: professional background of the Board*.

Proposal 5: the size of the Board

The Federation reiterates its comments regarding the size of the Board from our comment letter on the Trustee's review of structure and effectiveness dated 30 November 2015¹. In our letter we expressed our disagreement with the proposal to reduce the size of the board and raised our concerns for any potential unintended negative impacts this might have on the quality of the work conducted by the IASB, especially in a time when greater emphasis on quality is necessary. We consequently believe that the Board should maintain its current structure and size of fourteen members.

¹ Paragraphs 23 and 24 of the appendix of our letter

http://www.fee.be/images/publications/Corporate_Reporting/151130_FEE_CRPG_Trustees_Review.pdf

Proposal 6: professional background of the Board

Our main concern relates to the deletion of the word “practical” when the constitution refers to the experience that is required for IASB members. In our view, the *primary users* of the International Financial Reporting Standards (IFRS) being preparers, investors and other capital providers (primary users as defined in the IFRS Conceptual Framework) and auditors (who ensure an adequate level of trust), should be properly represented in the composition of the IASB. To ensure this representation and to ensure that Board members have a proper background and professional experience with applying the standards, a reference to “practical” experience is crucial.

Members of the IASB who represent other groups of *secondary users*, mainly regulators and academics, contribute not only to the technical expertise of the Board, but also to the global acceptance of the final IFRSs by different jurisdictions. Having recognised their contribution, we believe the number of Board members who have a professional market regulator background is currently sufficient to achieve the objectives stated above. Indeed, we would suggest that instead the Board increases the number of Board members from the *primary users* group as defined above.

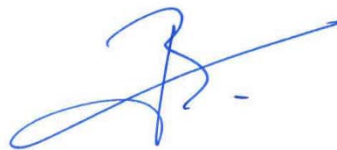
For further information on this letter, please contact Hilde Blomme, Deputy CEO from the FEE Team on +32 2 893 33 77 or via e-mail at hilde.blomme@fee.be.

Kind regards,

On behalf of the Federation of European Accountants,



Petr Kriz
President



Olivier Boutellis-Taft
Chief Executive

About the Federation of European Accountants

The Federation of European Accountants represents 50 professional institutes of accountants and auditors from 37 European countries, with a combined membership of over 875,000 professional accountants working in different capacities. As the voice of the European profession, the Federation recognises the public interest.