



MINISTERIO
DE ECONOMÍA Y
COMPETITIVIDAD

INSTITUTO DE CONTABILIDAD
Y AUDITORÍA DE CUENTAS

EFRAG Supervisory Board
35 Square de Meeûs
B-1000 Brussels
Belgium

Re: Proposal to Establish an Accounting Standards Advisory Forum

Dear Sir,

In the present letter ICAC is responding to your invitation to comment on the above proposal.

First of all, we welcome the initiative to involve the National Standard Setters (NSS) and the Regional Groups implied with accounting standard setting more in the early stages of the development of the accounting standards. In particular, to be a forum to discuss deeply the technical issues with input from many different jurisdictions and legal backgrounds.

Nevertheless, we would like to draw the attention to the following issues:

We believe that the maintenance of a network between the IFRS Foundation, the IASB and the national standard-setting bodies and Regional Groups implied with accounting standard setting, as an integral part of the global standard-setting process, is a key issue. Due to the limit on the size of the forum, twelve seats for National Standard Setters and Regional Groups in total, the IASB should ensure that specially all local standard setters stay involved and are taken into account.

Regarding the forum composition, we would like to highlight some questions. In one hand, we think that in many ways, those jurisdictions that have adopted IFRS currently are receiving less attention than those that are still considering the adoption. In our opinion IASB should devote bigger efforts to NSS that are implementing IFRS instead of the other position.

About the seats allocated in the forum for regional organizations, the question is whether such groups properly represent at this moment the national standard setters included in them. Although it is necessary some flexibility for the internal organization of each group, it is clear that time is a key question to reorganize regional groups in order to practice the representative function of the national standard setters belonging to them.

We believe EFRAG, is transparent and to has long experience in the consultation procedure and it could be able to ensure that all NSS within EU will be heard in the ASAF meetings. Nevertheless, in order to get such goal, the governance arrangements

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within EFRAG should enable that. In particular, the main issue is that if EFRAG aims to represent the consensus and/or collective views of Europe, it should not take its own independent decisions after listening to all NSS involved (as EFRAG TEG does). It means that EFRAG Supervisory Board, after hearing all national standard setters, should finalize its comment letter on a collective basis.

We also would like to point out that ASAF memberships would be elected on the basis of organizational representation rather on an individual basis to reach a high and specialized technical discussion. Another issue is if a strict limit of twelve seats is really necessary or if an increased size of ASAF, with one or two more seats, would be possible under some required circumstances.

In relation to ASAF institutional structure, additional information should be given from the IFRS Foundation.

With regard to the commitment question, we would like some clarification about what the commitments listed in the MoU really means in practice and if those commitments will come also from the IASB side.

Other matters that could be analysed slower are if ASAF can also decide about the agenda for such meetings and about the ASAF chairman. Advantages and disadvantages should be considered again in terms of if it is preferable that ASAF meetings is chaired by one of the twelve members (on a rotational basis) instead of the IASB in order to achieve a better balance inside the group.

In conclusion, we believe that these important proposals need clarifications, some changes and essentially more time to be deeply analysed in order to make sure it will be successful.

Please don't hesitate to contact us if you would like to clarify any point of this letter.

Ana M^a Martínez-Pina

Chairman of ICAC

Madrid, 20th December 2012