

December 2010

Summary of the EFRAG Supervisory Board meeting

held on 3 December 2010

The Supervisory Board met on 3 December under the chairmanship of Pedro Solbes in a meeting open to the public.

The Supervisory Board received reports from the Chairman of EFRAG TEG, Françoise Flores, on TEG work and liaison activities. Alain Deckers (European Commission) informed the Board on recent developments, including the technical and political challenges of the proposed IFRSs on revenue recognition, leasing, insurance contracts and financial instruments, the revision of the Accounting Directives and the governance of the IFRS Foundation Review carried out by the Governance Working Group of the Monitoring Board. Fernando Restoy (CESR) informed the Board about publications in relation to enforcement, including the enforcement activity report, the survey on disclosures under IFRS 7, and the advice to the European Commission on the equivalence of various non-European GAAPs.

The Supervisory Board received a report from the Chairman, Françoise Flores, on financial matters, including the funding and staff situation and the proposed budget for 2011. The Board approved the 2011 budget for submission to the General Assembly. The Board considered the funding situation and the efforts that have to be made in 2011 to obtain a broader basis of National Funding Mechanisms and more sustainable longer-term funding.

The Supervisory Board prepared the agenda for the General Assembly, which takes place on 13 December 2010. The Board approved the amendments to the internal rules for submission to the General Assembly.

The Nominating Committee reported on the nomination process and the preliminary suggestions in relation to the appointment and reappointment of TEG members, effective from 1 April 2011. The Committee has completed most of the interview process of new TEG candidates and is in the middle of the evaluation process of existing TEG members. Final recommendations are envisaged at the end of January. The Supervisory Board approved the terms of reference of the Nominating Committee.

The Supervisory Board agreed that EFRAG should monitor the international developments in relation to integrated reporting, given the potential impact on financial reporting. The Board also envisaged that the EFRAG SME Working Group would have autonomy in commenting on the proposed implementation guidance of the IFRS Foundation SME Implementation Group, if the issue is assessed to be important for European entities preparing financial statements on the basis of IFRSs for SMEs, thereby issuing a draft EFRAG comment letter for public consultation.

The Board evaluated the closed meeting of 30 November of European Stakeholders and the IFRS Foundation, as organised by EFRAG. The meeting focused on the due process in relation to the standard-setting process, being the third strategic pillar in the IFRS Foundation Strategy Review. EFRAG was delighted to have Tommaso Padoa Schioppa, Chairman of the IFRS Foundation, and Jonathan Faull, Director General of Internal Market and Services Directorate General (DG Markt), as speakers at the meeting. There were some 50 participants, reflecting the views of a wide variety of European stakeholders.

The Board finalised the EFRAG comment letter on the IFRS Foundation Consultation Document on the Annual Improvements Process: Proposals to Amend the Due Process Handbook for the IASB. The Board discussed drafts of the draft comment letters on the IFRS Foundation Consultation Documents on the Strategy Review and on the IFRS Interpretations Committee Review. EFRAG aims to publish the draft comment letters for public consultation in mid-December with a deadline of early February 2011.

Future meeting

The next meeting of EFRAG Supervisory Board will take place in February 2011. The dates for 2011 and 2012 will be communicated on the EFRAG website.