



Accounting Standards Board

Aldwych House, 71-91 Aldwych, London WC2B 4HN

Telephone: 020 7492 2300 Fax: 020 7492 2399

www.frc.org.uk/asb



Saskia Slomp
Director
European Financial Reporting Advisory Group
35 Square de Meeûs
B-1000 Brussels
Belgium

Email: commentletter@efrag.org

4 November 2010

Dear Saskia

EFRAG Draft Comment Letter (DCL) on the IFRS Foundation Consultation document 'The annual improvements process: Proposals to amend the Due Process Handbook for the IASB'

This letter sets out the comments of the Accounting Standards Board (ASB) on EFRAG's DCL on the above Consultation Document. The ASB has responded directly to the IFRS Foundation Trustees and a copy of our response is attached.

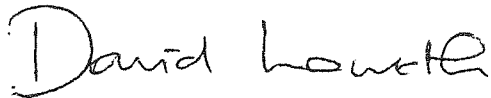
Like EFRAG, the ASB broadly supports the Trustees' proposals. We note the concerns expressed by EFRAG on a number of the proposed criteria set out in paragraph 65A in the Consultation Document. As you will see from the attached response, the ASB agrees with the detailed criteria in paragraph 65A, so we are not as concerned as EFRAG about the comments made about the criteria set out in subparagraphs (a), (b) and (d).

On the criterion in paragraph 65A(d), the ASB also considers that only permitting application of an item where there is a pressing need because the proposed amendment would amend an IFRS that is subject of a current or planned IASB project may be too stringent. The ASB agrees that it is not realistic to amend an IFRS that will shortly be substantially revisited but considers that the emphasis should focus on the likely timescale for completion of the IASB project, balanced with the possible enhancement of IFRS and the needs of users.

The ASB is content with the wider comments made in the DCL about the IASB's due process.

Should you have any enquiries regarding this letter please do not hesitate to contact Michelle Sansom, Project Director (tel: 020 7492 2432) or myself.

Yours sincerely

A handwritten signature in black ink that reads "David Loweth". The signature is written in a cursive style with a large initial 'D'.

David Loweth
Technical Director

DDI: 020 7492 2420

Email: d.loweth@frc-asb.org.uk



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Tommaso Padoa-Schioppa
Chair of the Trustees
IFRS Foundation
30 Cannon Street
London, EC4M 6XH
United Kingdom

By e-mail to: improvementscriteria@ifrs.org

4 November 2010

Dear Mr Padoa-Schioppa

IFRS Foundation Consultation document 'The annual improvements process: Proposals to amend the Due Process Handbook for the IASB'

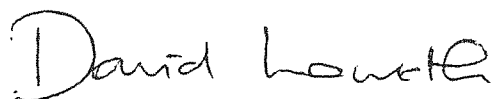
This letter sets out the comments of the Accounting Standards Board (ASB) on the above Consultation Document.

The ASB is, on balance, in agreement that criteria are required to assist the IASB and others in determining whether a matter relating to the clarification or correction of IFRS should be addressed using the annual improvements process. The ASB considers that the proposed paragraph 27A correctly identifies that the primary objective of the annual improvements process is to enhance the quality of IFRS. It considers that application of the criteria should not be so rigid that matters are rejected for consideration even through the quality of IFRS could be improved.

The ASB also considers that only permitting application of an item where there is a pressing need because the proposed amendment would amend an IFRS that is subject of a current or planned IASB project may be too stringent. The ASB agrees that it is not realistic to amend an IFRS that will shortly be substantially revisited but considers that the emphasis should focus on the likely timescale for completion of the IASB project, balanced with the possible enhancement of IFRS and the needs of users.

Should you have any enquiries regarding this letter please do not hesitate to contact Michelle Sansom, Project Director (tel: 020 7492 2432) or myself.

Yours sincerely

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