

10 December 2008

## **MORE INFLUENCE FOR EFRAG IN INTERNATIONAL STANDARD-SETTING PROCESS**

The final report on the enhancement of EFRAG (European Financial Reporting Advisory Group) has been published today. An enhanced EFRAG will make Europe a more important player in the financial reporting world.

In July 2008 EFRAG issued its public consultation document “Strengthening the European Contribution to the International Standard-Setting Process” for comment by 22 September 2008. EFRAG received 36 comment letters from a wide variety of geographical and professional backgrounds. These comments are discussed in a feedback statement published today by EFRAG together with the final proposals on EFRAG’s enhanced structure.

In order to exercise greater influence over the future direction of financial reporting, EFRAG needs to place more emphasis on developing its own research and discussion papers at an early stage of the IASB’s consideration of the topics concerned or even before they figure on the IASB agenda. New in the enhanced structure is the Planning and Resource Committee (PRC) involving National Standard Setters (NSS), the EFRAG Technical Expert Group (TEG) Chair and Supervisory Board (SB) members. The PRC will set the agenda for proactive work that results in the issuance of discussion papers and position papers, or other outputs. The PRC will provide guidance on the allocation of resources from EFRAG and the NSS to proactive projects and will monitor the progress of the work concerned.

Other new elements in the enhanced structure compared to the existing structure include:

- Independent members of the SB that no longer represent their organisations;
- Public policy members in the SB;
- Establishment of a Governance and Nominating Committee of the General Assembly in which some National Funding Mechanisms (NFM) have a seat;
- Establishment of a high-level Consultation Group;
- Establishment of a three-tier funding model: European organisations, NFMs and the European Commission.

Göran Tidström, Chairman of the EFRAG SB, underlined that “the current financial crisis has demonstrated once more the importance for Europe to influence the international standard-setting process in order to find global solutions with proper priority. An enhanced EFRAG, supported by the EC and NSS, European organisations with an interest in financial reporting and an increasing number of NFM will be able to achieve this”.

Stig Enevoldsen, Chairman of the EFRAG TEG, added “Europe will only count in the international financial reporting scene if it can contribute to the conceptual thinking. With the PAAinE papers, Europe has already made a significant input. Through the PRC and with increased resources, EFRAG will be able to proactively influence future standard-setting developments in cooperation with NSS, benefiting from their unique expertise and national experience”.

- ENDS -

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**Contact Information:**

**Mr. Stig Enevoldsen**  
**EFRAG TEG Chairman**

T: +32 (0)2 210 44 06  
F: +32 (0)2 210 44 01  
M: +45 40 92 36 91  
E: stig@efrag.org

**Mr. Göran Tidström**  
**EFRAG Supervisory Board Chairman**

T: +46 (0)8 555 33 099  
F: +46 (0)8 598 44 546  
E: goran.tidstrom@se.pwc.com

**Note for editors:**

1. *About EFRAG*

EFRAG, the European Financial Reporting Advisory Group, was set up principally for the purpose of:

- Providing pro-active advice to IASB (the International Accounting Standards Board);
- Advising the European Commission on the acceptability of International Financial Reporting Standards (IFRS) for endorsement for use in Europe in the consolidated accounts of all listed companies;
- Advising the European Commission on any resulting changes to be made to the accounting directives and related topics.

2. *EFRAG website*  
<http://www.efrag.org/>