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n°125

Paris, the 28th July 2011

**Mr Tom SEIDENSTEIN
IFRS FOUNDATION**

**30 Cannon Street
LONDON EC4M 6XH**

Re : Report of Trustees' Strategy Review

Dear Mr Seidenstein,

I am herewith responding to the Trustees' Strategy Review on behalf of the ANC. The ANC welcomes this opportunity to provide its views, based on its letter dated 24th February 2011.

Much has been taken into account in this Report and the ANC is pleased to note that it recognises the fact that the confidence of all users is necessary, that both financial stability and sound economic growth are included in the Foundation's mission, and that financial reporting standards should provide a faithful presentation of an entity's financial position and performance. Therefore, the ANC considers that all the above-mentioned changes would now need to be implemented in both the Constitution and the Conceptual Framework.

The ANC notes that this Report places the emphasis on adoption of IFRS versus convergence. The Report therefore relies on the premise that "it is assumed that a number of major economies will make a positive decision, in some form, on the adoption of global standards". This assumption is not verified and it cannot but have consequences.

The ANC also agrees with the scope of the IASB's work as defined with two caveats. First, the work on IFRS for SMEs is not a priority when so much work still needs to be done on major IFRS standards. Second, in this respect, the scope of the IASB's work programme should include a review of concepts throughout not only the conceptual framework but also all of the standards themselves.

The ANC notes with interest the positive consideration of a network of national accounting standard-setting bodies to be an integral part of the global standard-setting process. We stand ready to work with the Foundation and the IASB to work in that direction, thus bringing more relevance and buy-in to the whole process, each jurisdiction being the area of relevance for understanding the interaction between IFRSs and local market structures.

We also agree that the scope of the IFRS Interpretations Committee's activities should be refined and its processes made more transparent, in order to preserve principles-based standard-setting.

As regards the IASB's due process, the ANC considers that agenda-setting should be evidence-based and respond to actual needs, that impact studies should be performed early on in the standard setting process and that post-implementation reviews should be carried out, based on thorough methodologies. The ANC will put forward some concrete proposals in this respect. Also, the IASB should resist creating new formats or denominations (staff drafts, near-final drafts, review drafts, etc) of documents for which the processes in terms of timing and feedback lack transparency.

The ANC is not favourable to the integration of XBRL in the standard-setting process as the definition of taxonomies is, in our view, contradictory to principles-based standard setting.

In view of the intended implementation of a network of standard-setters as well as of the existence of a very wide number of research institutes and organisations, the ANC is not convinced that the IASB should establish a dedicated research capacity. Further discussions should be held in order to define the best way for the organisation to act and/or interact in this field.

As for governance-related issues, the ANC notes that the Trustees are not considering its proposal, shared by other commentators, of the IASB membership to include more part-time members. Also, the ANC insists on the fact that members should represent a diversity of views.

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As an official actor in standard-setting and financier of the IASB, the ANC appreciates the general open and cooperative tone of the report : it clearly invites to the debate about strategic orientations and the proper allocation of resources. It bodes well for the future, as implementation of these orientations will require extreme cooperation among all major interested parties, and a good common spirit in the general interest.

Yours sincerely,



Jérôme HAAS