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Internal Market and Services DG

The Director-General

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Mr Hans Hoogervorst
Chairman
International Accounting Standards
Board (IASB)
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr Hoogervorst,

Subject: Request for views – Agenda Consultation 2011

The services of the Commission welcome the opportunity to respond to the IASB's *Agenda Consultation 2011*, introduced as a result of the second Constitution Review of the IFRS Foundation in 2010. We believe this to be an important step in further enhancing the IASB's public accountability and the legitimacy of the standard setting process, and welcomes the IASB's request for the views of its constituents in setting its future agenda.

This letter highlights our main views on the priorities in the allocations of the IASB's resources and how the demands for different financial reporting requirements should be balanced over the next three years. It has been the subject of consultations with EU Member States and with the European Parliament. I would also like to draw your attention to the complementary comment letter that EFRAG will submit. Detailed comments on the current projects of the IASB and on other projects are contained in EFRAG's letter.

Concerning the allocation of resources and the projects that should be given priority on the future agenda of the Board, the following approach is suggested:

a) Firstly, the Commission continues to support the overall objective of a single set of high quality global accounting standards. The Board's priorities should therefore reflect the needs and concerns of users from jurisdictions that have adopted IFRSs. A robust and stable basis for IFRSs, where these standards are used, is essential to maintain users' and investors' confidence in financial statements prepared under IFRSs.

b) It is also crucial that the Board concludes the following high-priority projects that are currently underway: financial instruments, leases, revenue recognition and insurance contracts. We suggest that the IASB finalizes these major projects - at least as far as the main principles are concerned - before it launches any other initiatives.

c) Upon completion of these projects, it would appear necessary to reduce the pace of the standard setting activity, in order to allow preparers and users to understand and implement the new standards. This would also emphasize the widespread call for a period of calm in the accounting community.

d) Finally, the IASB should also put considerable effort into maintaining existing standards, as opposed to developing new IFRSs. This includes reviewing the implementation of existing IFRSs to resolve possible implementation issues and undertaking impact assessments before adding new projects to the standard setting agenda. This is a necessary basis for developing or modifying standards in response to concerns expressed by stakeholders.

If you would like to discuss any aspect of this letter, please do not hesitate to contact me or my services.

Yours sincerely,



Jonathan FAULL