



December 17, 2012

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Board Members:

Consejo Mexicano de Normas de Información Financiera (CINIF), the accounting standard setting body in Mexico, welcomes the opportunity to submit its comments on the *Invitation to Comment – Proposal to Establish an Accounting Standards Advisory Forum* (the IC), issued in November 2012. Set forth below you will find our comments on the IC, as well as our responses to the specific questions included therein.

We have divided our letter into two sections. In the first section you will find our general comments on the IC. The second section includes our responses to the specific questions raised in the IC.

General comments on the IC

We support the Board's proposal to establish an Accounting Standards Advisory Forum (ASAF) comprised of representatives from National Standard Setters (NSS) and regional bodies comprised of regional NSS. Adding structure to the existing IFASS program makes a lot of sense and may significantly enhance the quality and consistency of input from NSS and regional groups. We believe the objectives of the ASAF have been well defined and appropriately documented.

We are glad to note that the ASAF is intended to be complementary to the International Forum of Accounting Standard-Setters (IFASS), since we believe that the IFASS network has been instrumental in ensuring that the issues brought to the IASB and the IFRSIC are of global relevance and applicability. We have found the IFASS program to be very useful in keeping NSS current on emerging topics and issues that are under consideration for the IASB agenda. We also believe that the valuable contributions of the IFASS over the past several years should be mentioned in the document.

We consider it to be very important that either the Chairman or the Vice-Chairman of the IASB not only represent the IASB in the ASAF, but that one or both of them should attend all meetings of the ASAF.

While we understand that there will be no voting because the ASAF will be an advisory body, we nevertheless consider it very important that a consensus be reached by the ASAF and documented for all technical issues discussed at each meeting.

Our responses to the specific questions raised in the IC

Please see our responses and related comments below.

Question 1

Do you agree with the proposed commitments to be made by ASAF members (paragraph 6.4) and that they should be formalized in a Memorandum of Understanding (paragraph 6.5)? Why or why not?

We agree with the proposed commitments to be made by ASAF members and that they should be formalized in a Memorandum of Understanding. Here in Mexico we fully agree with all five of the formal commitments described in paragraph 6.4 and also agree that it would be beneficial to document such commitments in a Memorandum of Understanding to be signed by each ASAF member.

We would appreciate clarification of the fifth commitment regarding the need for each ASAF member to have the resources and capability to play a full role in the ASAF's technical work. It should be noted that some regional groups do not have permanent staff or significant operating budgets and rely on the resources of the participating NSS. As a result, the cost of attending the meetings in London could be very significant for those regional groups. It is unclear as to who would be responsible for the travel expenses for participation in the meetings in London.

Question 2

The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paragraphs 6.7–6.13? Why or why not?

We believe that size of the ASAF should be 16 members instead of 12, since we do not consider 16 to be an excessive number of people. On the contrary, we believe that it will give the opportunity for other views in the development of new IFRSs. Further, we strongly believe that given its size and relevance, four of the 16 seats should be allotted to the Americas.

Additionally, we believe that the term for ASAF members should be three years instead of two. The reason is that a term of two years is a very short period and does not give the participants enough time to fully understand some topics, which due to their complexity, may require more than two years.

Should you require additional information on our comments listed above, please contact William Biese at (52) 55 5596 5633 ext. 113 or me at ext. 103 or by e-mail at wbiese@cinif.org.mx or fperezcervantes@cinif.org.mx, respectively.

Sincerely,

C.P.C. Felipe Perez Cervantes
President of the Mexican Financial Reporting Standards Board
Consejo Mexicano de Normas de Información Financiera (CINIF)

cc: Jan Engström
Amaro Gomes