



American Institute of CPAs
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January 10, 2011

IFRS Foundation Trustees
30 Cannon Street
London, EC4M 6XH
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By email

The American Institute of Certified Public Accountants (AICPA) is pleased to offer its comments on the IFRS Foundation Trustees' November 5, 2010, consultation paper, *Status of Trustees' Strategy Review*. The AICPA is the national professional association of CPAs, with 370,000 CPA members in 128 countries in business and industry, public practice, government, education, student affiliates, and international associates. The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies; nonprofit organizations; and federal, state, and local governments. The AICPA also develops and grades the Uniform CPA Examination.

We strongly support the eventual use of a single set of high-quality, comprehensive, global accounting standards by public companies in the preparation of transparent and comparable financial reports throughout the world, and thus continue to strongly support the objectives of the IFRS Foundation and the International Accounting Standards Board (IASB). With that in mind, we offer the following comments.

Mission: How should the organisation best define the public interest to which it is committed?

1. The current Constitution states, "These standards [IFRSs] should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the world's capital markets and other users of financial information make economic decisions." Should this objective be subject to revision?

No, this objective should not be subject to revision.

2. The financial crisis has raised questions among policymakers and other stakeholders regarding the interaction between financial reporting standards and other public policy concerns, particularly financial stability requirements. To what extent can and should the two perspectives be reconciled?

Clear, objective, and transparent information is vital to investors and other users in making investment and business decisions and to the successful operation of the capital markets. In contrast, we believe that public policymakers and prudential regulators have the ability to address financial stability matters without regard to external financial reporting standards, for example, through regulatory capital standards. Accordingly, we believe the mission of the IASB should focus on the needs of investors and other private-sector users of financial information.

Governance: how should the organisation best balance independence with accountability?

3. The current governance of the IFRS Foundation is organised into three major tiers: the Monitoring Board, IFRS Foundation Trustees, and the IASB (and IFRS Foundation Secretariat). Does this three-tier structure remain appropriate?

Yes, this three-tier structure remains appropriate. It provides accountability through a formal link to the public authorities while fully maintaining the IASB's independence.

4. Some stakeholders have raised concerns about the lack of formal political endorsement of the Monitoring Board arrangement and about continued insufficient public accountability associated with a private-sector Trustee body being the primary governance body. Are further steps required to bolster the legitimacy of the governance arrangements (including in the areas of representation of and linkages to public authorities)?

No further steps are required to bolster the legitimacy of the governance arrangements (including in the areas of representation of and linkages to public authorities).

Process: how should the organisation best ensure that its standards are high quality, meet the requirements of a well functioning capital market and are implemented consistently across the world?

5. Is the standard-setting process currently in place structured in such a way to ensure the quality of the standards and appropriate priorities for the IASB work programme?

Yes, the standard-setting process currently in place is structured in such a way as to ensure the quality of the standards and appropriate priorities for the IASB work program.

6. Will the IASB need to pay greater attention to issues related to the consistent application and implementation issues as the standards are adopted and implemented on a global basis?

No, other organizations, such as the International Organization of Securities Commissions (IOSCO) and national bodies, are in a better position than the IASB to monitor and ensure consistency of implementation on a global basis.

Financing: how should the organisation best ensure forms of financing that permit it to operate effectively and efficiently?

7. Is there a way, possibly as part of a governance reform, to ensure more automaticity of financing?

The IASB Foundation has made much progress in securing a permanent funding solution for the IASB' activities. We encourage the Securities and Exchange Commission to use part of the current levy on public companies for accounting standard setting activities as a permanent funding source for the IASB.

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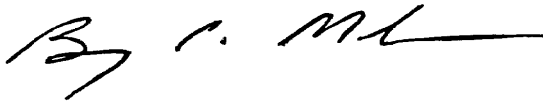
The AICPA appreciates the opportunity to submit its comments and would be pleased to discuss them with the Trustees at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Paul V. Stahlin". The signature is written in a cursive, flowing style.

Paul V. Stahlin, CPA

Chairman of the Board

A handwritten signature in black ink that reads "Barry C. Melancon". The signature is written in a cursive, flowing style.

Barry C. Melancon, CPA

President and CEO