

September 15, 2008

Ms. Tamara Oyre  
Assistant Corporate Secretary  
IASC Foundation  
30 Cannon Street  
London EC4M6XH  
United Kingdom

Dear Ms. Oyre:

The American Institute of Certified Public Accountants (AICPA) is pleased to offer its comments on the issues associated with the review of the IASC Foundation's (IASCF) Constitution. 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 IASCF and the International Accounting Standards Board (IASB). With that in mind, we offer the following comments.

### **IASB Permanent Funding Solution**

The AICPA urges the IASCF to continue its efforts to find a permanent funding solution for the IASB's activities. This solution will result in increased world-wide confidence in the IASB's role as an independent accounting standard setter. In the United States, we encourage the Securities and Exchange Commission (SEC) to use part of the current levy on U.S. public companies for accounting standard setting activities as a permanent funding source for the IASB. Given that U.S. public companies converting to IFRS would need to present multiple years of financial statements for comparative purposes, along with the possibility of early adoption of IFRS for certain companies, we believe that timely action is needed to secure a permanent, independent funding solution for the IASB.

### **Monitoring Group**

The AICPA supports the creation of a Monitoring Group (MG), as envisioned by the IASCF, to formalize the link to public authorities. The MG is a reasonable approach to help allay concerns that political and regulatory leaders from various countries might have in supporting a shift from national accounting standards for public companies to those promulgated by the IASB.

From a U.S. perspective, the AICPA supports the SEC having a seat on the MG to help it continue to meet its vital investor protection mandate. Likewise, we appreciate the need for worldwide balance and the need for other national regulators to be represented on the MG.

The AICPA suggests that the IASCF better articulate its basis for deciding membership on the MG. For example, banking regulators are an important regulatory constituency and have a strong interest in IFRS, yet they are not proposed for membership on the MG. We recommend that the IASCF add a bank regulator, perhaps from the Basel Committee on Banking Supervision, to the MG.

If in the future many nations adopt the IASB's standard for private entities, the AICPA believes that the IASCF should increase private entity constituency representation on the MG. This representation would provide a better consideration of issues faced by private entities.

The AICPA agrees with the IASCF's recommendation that a "Memorandum of Understanding" between the MG and IASCF should be exposed for public comment. We believe that an appropriate interaction between IASCF/IASB and the MG is critical to achieving success for global accounting standards. For example, we believe the Memorandum should address the following matters, among others.

- What is the protocol if a minority of MG members does not support a proposed trustee appointment to the IASCF?
- What is the protocol if a majority or a minority of MG members does not support the (a) IASB adding or deleting a topic from its agenda or (b) IASB's conclusion on an accounting topic?
- What is the protocol for removing a standing member of the IASCF or the IASB?

The AICPA believes that operating protocols must be established in a manner that fully maintains the IASB's independence, while providing sufficient oversight so that individual countries do not have a basis for "carve-out" exceptions to what IASB promulgates.

### **IASB Composition**

The AICPA supports changes to the IASB composition, as envisioned by the IASCF. We believe that the proposed IASB geographic composition and the increased board size are reasonable changes to enable the IASB to appropriately carry out its many important functions.

We also stress our support that the ultimate criterion for becoming an IASB Board member should be that the individual demonstrates professional competence, and that the individual should commit to deliberate and vote based on his or her perspective rather than that of a particular constituency.

The AICPA supports having a maximum of three part-time members of the IASB. The IASCF defines "part-time" as meaning that those members commit *most* of their time in paid employment to the IASCF. We believe that a part-time IASB member should be able to devote less time to IASB matters. As articulated by the IASCF, part-time positions are used to attract highly qualified candidates who otherwise would not or could not serve full-time and who can provide practical expertise. We recommend that the IASCF lessen the required time commitment for part-time members. Perhaps those part-time members should do less of the activities (however important) that are tangential to direct meeting preparation and deliberations.

### **Trustees Appointments Advisory Group**

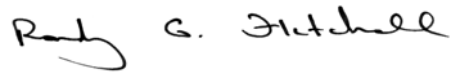
The AICPA believes that the Trustees Appointments Advisory Group (TAAG) will continue to have an important role to fill even with the creation of the MG. Primarily, we believe that the TAAG will help make sure that the IASCF has a formalized mechanism to reach out to additional constituencies beyond itself and the MG to gather "fresh" perspectives when identifying candidates to serve as IASCF Trustees.

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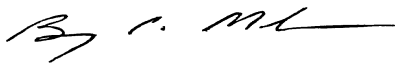
The AICPA appreciates the opportunity to submit its comments and would be pleased to discuss them with you at your convenience.

Sincerely,

AICPA

Handwritten signature of Randy G. Fletchall in black ink.

Randy G. Fletchall, CPA  
Chairman of the Board

Handwritten signature of Barry C. Melancon in black ink.

Barry C. Melancon, CPA  
President and CEO