



Grupo Latinoamericano
de Emisores de Normas
de Información Financiera
Group of Latin-american
Accounting Standard Setters

September 5, 2012

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

**RE: Invitation to Comment on the IASB and IFRS Interpretations Committee
Due Process Handbook**

Dear Members of the Board,

The "Group of Latin American Accounting Standard Setters" – GLASS¹ welcomes the opportunity to comment on the draft revision of the IASB and IFRS Interpretations Committee Due Process Handbook.

This response summarizes the views of our members, in accordance with the following due process.

Due process

Discussions regarding the draft revision of the IASB and IFRS Interpretations Committee Due Process Handbook, were carried out within a Technical Working Group (TWG), established on July 2, 2012. All member countries were able to name at least one member to constitute the Technical Working Group, and the following countries did so: Venezuela (coordinator of this TWG), Argentina, Bolivia, Brazil, Colombia, Ecuador and Mexico.



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In a second step, the responses presented in the summaries of each country, according to the reference tool, were compared and discussed.

If you have any questions about our comments, please contact glenif@glenif.org.

Yours sincerely,

Juarez Domingues Carneiro

Chairman

Group of Latin American Accounting Standard Setters (GLASS)

¹The overall objective of the Group of Latin American Accounting Standard Setters (GLASS) is to present technical contributions related to all documents issued by the IASB. Therefore, GLASS aims to have a single regional voice before the IASB. GLASS is constituted by: Brazil (Chairman), Argentina (Vice Chairman), Colombia (Board), Mexico (Board), Uruguay (Board), Venezuela (Board), Bolivia, Chile, Ecuador, Panama, Paraguay, Perú and Dominican Republic.



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GLASS commentary on the International Accounting Standards Board (IASB) and IFRS Interpretations Committee Due Process Handbook

Question 1

The Trustee's have included an introductory section that deals with "oversight", and the responsibilities of the DPOC (see paragraphs 2.1-2.15).

Do you support the inclusion and content of this section? Why or why not?

Answer:

We support the inclusion of this introductory section.

Reasons:

.- It is advisable to define: the objectives of the IASB, the Interpretations Committee and the DPOC; their respective roles; and the responsibilities of each party, as this provides greater assurance that the established objectives are met.

.- On the other hand, it is very interesting that this oversight deals only with the due process and not with the technical content of the issued standards.

Question 2

The DPOC have created a Due Process Protocol in the form of a table that shows the steps that the IASB must, or could, take, as well as reporting metrics to demonstrate the steps they have taken, in meeting their due process obligations (see Appendix 4).

Do you agree with the idea that such a table should be maintained on the public website for each project? Why or why not?



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Answer:

We agree with maintaining a public access table.

Reasons:

.- The table would be very useful for stakeholders to systematically monitor compliance with due process, both by the IASB Foundation and the IFRS Interpretations Committee.

.- Maintaining a public access table allows stakeholders to ensure that the publication is issued in compliance with due process.

Question 3 - Part 1

A research programme is described, which we expect will become the development base from which potential standards-level projects will be identified (see paragraphs 4.9 to 4.22). In addition, a new section on maintenance has been added, which formalizes the practice that the IASB and Interpretations Committee have been following for addressing issues that are narrow in scope. It clarifies that the more formal project proposal processes were always intended to apply to new IFRSs and major amendments. The IASB has the discretion to initiate changes that are narrow in scope to IFRSs as part of the general maintenance of IFRSs. The new section also explains how the activities of the IASB and Interpretations Committee are closely related (see paragraphs 5.11 to 5.20).

Do you agree with the distinction between narrow scope projects, which come under the heading of maintenance and comprehensive projects, which come under the heading of development of IFRSs? Why or why not?

Answer:

We agree.



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Reasons:

- .- It can speed up the development of standards.
- .- If once the problem is identified, it is concluded that it can be resolved by incorporating a relatively small improvement to IFRS, the case can be treated in improvement projects as simple modifications, while in other cases modifications may be relevant, which leads to a reformulation of a standard or issuance of a new one.
- .- The IASB is the issuer of the standards, so it is important to have the discretion to choose between the two cases; however, the choice between an improvement project or development project must be very well grounded.

Question 3 - Part 2

Do you agree with the introduction of a separate research program that will likely be the development base from which potential standards-level projects will be identified? Why or why not?

Answer:

We agree.

Reasons:

- .- The development of a standard and improvements of an existing standards are distinct processes, and therefore the research programs should have a different consideration.
 - .- This allows the IASB to systematize and identify the challenges associated with existing standards and the problems that are not addressed, with the understanding that the research program will seek to collect global current problems on the application of the accounting framework and not only make the public consultation through discussion papers.
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.- Implementing research projects will undoubtedly be the basis for the other phases of the development or improvement of standards.

Question 4

Two changes to comment periods are proposed. The first would increase the minimum comment period for exposing the draft of a rejection notice of a request for an interpretation from 30 days to 60 days (see paragraph 5.16). The other change relates to the re-exposure of a document. The DPOC is proposing to allow the IASB to have a reduced comment period of a minimum of 60 days for documents it plans to re-expose, if the re-exposure is narrow in focus (see paragraph 6.26).

Do you agree with the changes in the comment period lengths for rejection notices and re-exposure drafts? Why or why not?

Answer:

We agree.

Reasons:

.- Increasing the comment period from 30 to 60 days for rejection notices is based on a consensus that the Interpretations Committee did not receive sufficient feedback for rejection notices in minutes, making it very suitable.

.- Reducing the period from 120 to 60 days for the IASB to re-expose its reasons in a standard increases efficiency and avoids delays in issuing the standards, because such re-exposure represents only minor changes.

Question 5

Are there other matters in the proposed handbook that you wish to comment on, including matters not covered by the handbook that you think should be?



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Answer:

We propose considering the following matters:

The use of Universities: We believe the technical characteristics of the IASB and the IFRS Interpretations Committee could be enhanced with the work of universities. This is an area where several opportunities for improvement can be seen, notwithstanding the work done to date. In this regard, we encourage the directors to seek a closer relationship with universities, sponsorship or promotion of research applicable to the work of the IASB and IFRS Interpretations Committee.

Transitional provisions: The definition of the effective date and transitional provisions of new standards is controversial; in this regard, we would like to recommend that the Trustees improve the part of the manual that deals with these issues (paragraphs 6.31 and 6.32), and provide further guidance on the criteria to be used by the IASB.

Field studies and pre-implementation reviews. It is recommended that field studies and previous reviews of the implementation when some exposure drafts (ED) are complex and difficult to determine the impact that some of the proposed rules will have on the financial statements. This is particularly important in applications such revisions have been made, especially by regional groups.

The pre-implementation review process should include an extensive evaluation of the impact of proposed new or revised standards prior to their issuance, especially when these impacts can be significant. An analysis of the potential economic and / or financial impact of all proposals is essential for all stakeholders in the financial information.

** End of document **
