IASB - Objective

... is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in financial statements ...
Independent Standard Setting

- Private funded
- No political influence
- Independent board members
- All board meetings in public
- An elaborated due process
Constitutional Review

Major Issues

- Number/geographical spread of Trustees
- Trustee oversight of process
- Board composition
- Agenda setting
- Approval of standards
19 Trustees

North America

- Canada: 1
- USA: 5
- Total: 6
19 Trustees Cont.

Europe
- Denmark 1
- France 1
- Germany 1
- Italy 1
- Netherlands 1
- UK 1

6
19 Trustees Cont.

- From 6 Continents

<table>
<thead>
<tr>
<th>Rest of World</th>
<th>From 13 Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1</td>
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<tr>
<td>Brazil</td>
<td>1</td>
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<tr>
<td>Hong Kong</td>
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<tr>
<td>Japan</td>
<td>2</td>
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<tr>
<td>South Africa</td>
<td>1</td>
</tr>
<tr>
<td>Bank of International settlements</td>
<td>1</td>
</tr>
</tbody>
</table>
14 Board Members

- United Kingdom 2
- France 1
- Germany 1
- Sweden 1
- Canada 1
- United States 5
- Australia 1
- Japan 1
- South Africa 1

- From 5 continents
- From 9 countries
Staff at IASB

In addition to the 14 Board members there are currently:

- 25 technical and education staff
- 23 operations, commercial, translation and publications staff

- from 12 countries
"..the world is getting smaller.."

- And IFRS is getting more common:
  - 92 countries have approved IFRS for 2005
  - We expect others to follow in 2006 – 08
  - EU, Russia, Australia are in

- Convergence with USA is a priority
  - We work towards removal of reconciliation 2007 - 2008

- Convergence with Japan is on the agenda
“..the world is getting smaller..”

- We are determined to support progress
  - In Latin/Central America
  - In China
- Supporting the introduction of IFRS is an important task for us
Regional Meetings

- Europe (North, East)
- Indian Sub-Continent
- Japan/Korea/China
- Latin/Central America
- Malaysia/Singapore/Thailand
+ World Standard Setters Meeting
Ready for 2005

“The Stable Platform”

March 2004

- 22 new or improved standards
  - Improvements (13+2)
  - First-time adoption of IFRSs
  - Share-based payments
  - Business combinations (3)
  - Insurance phase 1
  - Asset disposals/discontinued operations
- 14 existing standards left unchanged
Convergence with FASB

The work is focused upon:

- Short to medium term projects with quick implementation
- Projects with a medium or long term view and requiring substantial work
Major Projects with FASB

- Achieved to date by IASB:
  - Business combinations (Phase 1)
    - Goodwill / Pooling
    - Purchase method
  - Financial instruments
  - Stock based compensation
  - Asset disposals / Discontinued operations
- EPS
- Voluntary changes in accounting policy
- Exchanges of non-monetary assets
- Inventory – spoilage and idle capacity
Major Projects with FASB

- Active projects
  - Business combinations (Phase 2)
    - Broad reconsideration of purchase method accounting
  - Reporting comprehensive income
  - Revenue recognition
  - Insurance contracts
  - Liabilities and equity
  - Consolidation and SPEs

- Maintaining convergence
Future Projects:

- Financial instruments (replacement of IAS 39)
- Conceptual framework
- Intangible assets
- Extractive industries
- Joint ventures
- Leases
- Pensions
The Vision

- 1 single set, high quality global standards
  - 100 countries using IFRS by 2006
  - Convergence with USA 2007/8
  - Rest of world using global standards 2009
The Advantages

- Removal of investment risk
- Greater inward investment
- Increased growth
- Increased trade
- Increased employment/prosperity
Jan Engstrom

- Liaison Board member for Central/South America
- CFO Volvo
- Worked in Brazil 1981 - 85