

November 17, 2010

Mr. Tommaso Padoa-Schioppa
Chairman, IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr. Padoa-Schioppa,

We are writing on behalf of the Canadian Accounting Standards Board concerning the IFRS Foundation Trustees' Paper for Public Consultation on their Strategy Review. We wish to express our support of the Trustees' comprehensive review of the organization's strategy, for the reasons stated in the Paper. However, we also wish to protest strenuously the very limited time provided for stakeholders to respond on such fundamental matters.

The Trustees have heard from multiple sources about the considerable strains currently placed on users, preparers, auditors and regulators in coping with the IASB's current work program. We have commented previously to the IASB about our concerns that, in trying to achieve extremely ambitious targets, the IASB is risking a significant reduction in the quality of the standards it is developing. Increasingly, stakeholders are likely to be unable to provide thoughtful comment and the Board will be severely challenged to carefully and thoroughly consider the input received in the very short time frames provided.

Stakeholders are currently working to understand and comment on seven separate proposals from the IASB, the Interpretations Committee and the Trustees. Two of those proposals, *Leases* and *Insurance Contracts*, represent significant changes to the financial reporting of global industries,

and are of significant importance to securities and other regulators, the G20 and the Financial Stability Board. However, in both cases the IASB has chosen to provide only 120 day comment periods, thereby adhering to the letter of the requirements of the Due Process Handbook but not the spirit of the requirement that the Board normally provide longer periods for major projects (paragraph 100) which are defined (paragraph 35) as those involving pervasive or difficult conceptual or practical issues. The Board took a similar approach with its proposals on *Revenue* and its request that stakeholders comment on the FASB's proposals on financial instruments, both of which we have responded to in the last two months. We note that Invitations to Comment on more issues are anticipated over the coming weeks. The Trustees' Paper simply adds to the existing workload and leaves little time for stakeholders to provide quality input to the Trustees while also responding to the many requests for comment on documents issued by the IASB.

We note the Trustees' concern that the IASB follow a proper due process that provides an appropriate period of time for stakeholders to respond to proposed standards. Many countries and regional bodies require time for invitations to comment to be translated so that domestic stakeholders can be appropriately consulted and for their comments to be translated back into English. Many jurisdictions must go through their own due process steps before issuing comment letters. Established meeting schedules for some stakeholder groups may not provide them with an opportunity to discuss the issues in the Trustees' Paper during the short comment period provided. In this case the problem is exacerbated by the timing of the comment period as many will be in the midst of preparing for fiscal year-ends or taking year-end holidays. In addition, several jurisdictions, including Canada, are in the final stages of their preparation to transition to IFRS as of January 1, 2011. The short comment period will effectively disenfranchise many stakeholders who adopted IFRS in the belief that they would have an adequate opportunity to participate in the processes of the Foundation and the Board.

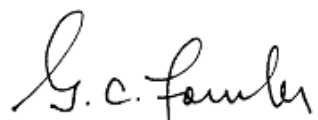
From the Trustees' perspective, a perfunctory consultation process at this stage of the Strategy Review is likely to yield limited thoughtful input on fundamental questions and put more

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pressure on subsequent steps in the process. It also does no credit to the standing of the Foundation in stakeholders' eyes. We are concerned that the recent actions of the Trustees and the Board may cause more people to come to that view that neither the Trustees nor the Board are interested in the views of stakeholders but merely go through the motions of consultation because they are required to do so.

Accordingly, we ask the Trustees to reconsider the response deadline in the Paper. We believe that an additional 60 days should be provided for comment.

Yours very truly,

A handwritten signature in cursive script that reads "G. C. Fowler".

Gordon C. Fowler, FCA
Chair
Accounting Standards Board