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Mr D Boymal 
Chairman
Australian Accounting Standards Board
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Dear David

**Proposed Interpretations Model for
Australian Accounting Standards**

The Group of 100 (G100) is pleased to provide comments on the Invitation to Comment. The G100 is a body representing the interests of CFOs of Australia's major business enterprises.

While the G100 has some concerns about aspects of the proposed model the G100 considers that the proposed model is an appropriate means of providing for a flexible approach responding to the needs of preparers. We consider that the most important features of the interpretations process is that it is transparent and delivers outcomes in a timely manner. The G100 believes that interpretations of the requirements of IFRSs are properly the role of IFRIC and it is only interpretations by IFRIC that can be wholly relied upon to be compliant with IFRSs.

- a. *The proposal to establish advisory panels on issues is a more flexible and adaptive approach than having a formally established body.*

The G100 agrees.

- b. *The proposed size and composition of advisory panels and appointment on the basis of professional competence and relevant experience is preferable to appointment on the basis of representation.*

The G100 supports the approach to form an advisory panel on an issue-by-issue basis and the approach to forming panels. However, we consider that it is important to manage the process to avoid the risk of having the same group of people dealing with issues because they either have the time or the technical skills. The G100 believes that it is essential that panels be drawn from a diverse group of professionals including those with practical experience on the topic. It is important that panels comprise those that may have to deal with or implement the interpretation in practice.

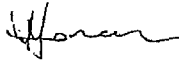
- c. *The formation of an Interpretations Agenda Committee, its role and the manner in which requests for guidance are dealt with will facilitate more timely responses on issues.*

The G100 considers that the functions of the Interpretations Agenda Committee could be undertaken by the AASB itself because it introduces an additional step in the process. However, if retained, it is important that its operations and processes are managed to ensure prompt disposition of issues.

- d. *The manner of the interaction with the IFRIC and its processes is appropriate.*

The G100 supports the proposed approach. The G100 is concerned that where domestic guidance is developed in respect of an IFRS, Australian preparers are at risk of not being IFRS compliant unless a process under which IFRIC provides some form of comfort or assurance that the Interpretation is acceptable is introduced. A further potential consequence of domestic IFRS interpretations is that preparers will also be disadvantaged where a subsequent IFRIC Interpretation is different than that issued domestically. As such, the G100 believes that development of a domestic interpretation of an IFRS should only occur in rare and exceptional circumstances.

Yours sincerely



Tom Honan
National President