

**Message from the Chair of the IFRS Foundation Monitoring Board
IFRS Seminar, 6 June 2014, Tokyo, Japan**

It is a great pleasure to be here with you on the occasion of the IFRS Seminar held in conjunction with the IOSCO C1 meeting in Tokyo.

As Chair of the Monitoring Board of the IFRS Foundation, I would like to commend the progress being made in extending the reach of IFRSs in more than 100 jurisdictions around the world. Recent progress has been remarkable, and the extraordinary efforts of the IASB as well as the input from various global stakeholders in bringing about such progress are most appreciated.

In a world of globalized financial markets, we have a shared interest in working towards a single set of high-quality global accounting standards. The benefits for all stakeholders, preparers, investors, the accounting and audit professions, as well as regulators are obvious. The G20 has in the recent past called for pursuing this common goal. The recent achievement in finalizing a common standard for Revenue Recognition with the FASB is an important and commendable achievement. But, regardless of where we stand in how we should achieve this common goal, the role of the IASB and the IFRS Foundation is critical in this process. At the same time, how to interact with, and keep a proper distance between the standard-setting process and the political process is also a great challenge.

Even if we have the best of all accounting standards, it is equally important that the standards are applied in a fair and transparent manner across jurisdictions. For financial reporting and disclosure rules to be enforced properly across jurisdictions, capital market authorities must play their roles appropriately in discharge of their statutory mandates. While the Monitoring Board will continue to provide a formal link between the IFRS Foundation and capital market authorities, the recently concluded Statement of Protocols between the IFRS Foundation and IOSCO (International Organization of Securities Commissions) is also a remarkable step in strengthening cooperation between the accounting standard-setter and market regulators responsible for the enforcement of

accounting and disclosure rules. We will further enhance such cooperative efforts going forward.

I should also not fail to mention the important role of national standard setters. By nature and by origin, national standard setters continue to have a vital role in many jurisdictions, even when IFRSs are already widely used. They have the advantage of being closer to the national stakeholders, have a long history of developing national standards and providing input to global standard-setting, and, perhaps most importantly, have the technical expertise to address the relevant accounting standards-related issues in each jurisdiction. So, through the ASAF (Accounting Standards Advisory Board) and through the many roundtables and other events organized by the IFRS Foundation, it is hoped that national standard setters further enhance their inputs to global standard setting, and support the independence and accountability of the IASB through such inputs. Viewed from the Monitoring Board, due process in accounting standard-setting and proper governance of the standard-setting process would include ensuring the proper involvement and engagement of national standard-setters, where appropriate.

At the Monitoring Board, we have been implementing the recommendations for reform made in the Governance Review Report issued in February 2012. Among many other measures, the reforms included the expansion of the membership, based on a newly agreed set of membership criteria. As an important first step in this direction, the securities regulators of Brazil and Korea have become permanent members as of January of this year, in addition to the five members who signed the inaugural Charter of the Monitoring Board. Two more seats will be allocated to rotating members to be selected in consultation with IOSCO later this year. We will make sure that the Monitoring Board will enhance its capacity and play its role properly in providing public interest oversight over the governance of the IFRS Foundation.

In closing, I would like to wish you all an interesting and fruitful seminar. I also hope you will fully enjoy your stay in Japan, and wish you all the very best of health and prosperity.