

1 September 2016

Mr Michel Prada
Chairman of the Trustees
IFRS Foundation
30 Cannon Street
London, EC4M 6XH
United Kingdom

Submitted to: commentletters@ifrs.org.

Dear Michel

Exposure Draft: Trustees' Review of Structure and Effectiveness: Proposed Amendments to the IFRS Foundation Constitution

The External Reporting Board (XRB) of New Zealand is an independent Crown Entity responsible for financial reporting strategy and the development and issue of accounting and auditing & assurance standards in New Zealand.

The XRB has noted the *Trustees' Review of Structure and Effectiveness: Feedback Statement on the July 2015 Request for Views* summarising the comments received from respondents to the *July 2015 Request for Views* and setting out the Trustees' responses to the comments.

The XRB is pleased to have the opportunity to comment on the proposed amendments to the IFRS Foundation Constitution set out in the Exposure Draft: *Trustees' Review of Structure and Effectiveness: Proposed Amendments to the IFRS Foundation Constitution (ED)*.


In general, the XRB agrees and supports all the proposed amendments set out in the ED. In particular, the XRB agrees and supports the rebalancing of the memberships of both the Trustees and the International Accounting Standards Board (IASB) through the proposed combining of the Americas category.

In relation to the IASB, we agree with the proposal in the ED to reduce IASB members from the current 16 members to 13 members. While we appreciate the strategy of the proposed geographical distribution of those members in the ED, we are concerned the amended proposal in the ED reduces at-large members from two members (as proposed in the *July 2015 Request for Views*) to either none or the possibility of one at-large member to be appointed only if the Trustees deem it appropriate to appoint a fourteenth board member.

We consider that the ability to appoint at-large members gives Trustees greater flexibility to ensure a high quality IASB board. Trustees must ensure that, when considering IASB board membership, the reduction in the size of the IASB, combined with the reduction in at-large membership, does not compromise the combined conceptual and technical skills, professional competence, practical experience and independence of the IASB membership as a whole.

If you have any queries or require clarification of any matters in this submission, please contact Lay Wee Ng (laywee.ng@xrb.govt.nz) or me.

Yours sincerely



Graeme R Mitchell
Chairman
External Reporting Board