

Report by the IASB Chairman

Introduction

1 When created in 2001 the Board was given the primary objective of “developing a single set of high quality, understandable and enforceable global accounting standards.” A strong thrust was given to the Board’s work towards this objective by the European Union’s decision to require publicly-traded companies to use International Financial Reporting Standards (IFRSs) from 2005, a decision that was confirmed by the announcement on 29 September of the European Commission’s adoption of the necessary regulation. Many other jurisdictions have made a similar commitment, and now more than 90 countries will be using or permitting IFRSs by 2005. Responding to this widespread acceptance, the Board has focused on having a comprehensive platform of standards in place by 31 March 2004 to help enable a smooth transition, but there remain several challenges before the 2005 standards are complete.

2 In parallel with this work, and with the strong encouragement of the European Commission and the US Securities and Exchange Commission, the Board and the US standard-setter, the FASB, have pursued a programme of convergence aimed at eliminating existing differences in accounting methods. To achieve this goal, the two boards have agreed to a two-tiered process:

- the elimination of differences that are capable of quick resolution and do not form part of a major project for either board—now known as the Convergence project; and,
- on larger issues, the adoption of joint approaches to ensure that IFRSs and US GAAP achieve similar outcomes.

Although the Board’s main focus has remained the completion of the 2005 work programme, both sides have made significant gains on convergence issues—both related to the specific Convergence project and larger issues. A description of the Board’s work programme follows later in this report.

3 As discussed at the previous meeting of the Trustees, the Board’s work programme and particularly the proposed improvements of the standards on financial instruments (IASs 32 and 39) have generated controversy in Europe, and the Board has been under pressure to devise a solution that would address some of the criticism voiced by the European banking community. It was also noted at the previous meeting that some in Europe have been questioning not only the Board’s decisions, but also its due process—its transparency, the extent of consultation undertaken by the Board, and the ability of interests in Europe to have effective input into the process.

Addressing public concerns

4 In developing the current work programme, the Board established procedures to ensure that its due process is followed and that appropriate consultation takes place. Specifically, as the *Preface to International Financial Reporting Standards* states:

Due process for projects normally, but not necessarily, involves the following steps (the steps that are required under the terms of the IASC Foundation Constitution are indicated by an asterisk*):

- (a) the staff are asked to identify and review all the issues associated with the topic and to consider the application of the *Framework* to the issues;
- (b) study of national accounting requirements and practice and an exchange of views about the issues with national standard-setters;
- (c) consulting the SAC about the advisability of adding the topic to the IASB's agenda;*
- (d) formation of an advisory group to give advice to the IASB on the project;
- (e) publishing for public comment a discussion document;
- (f) publishing for public comment an exposure draft approved by at least eight votes of the IASB, including any dissenting opinions held by IASB members;*
- (g) publishing within an exposure draft a basis for conclusions;
- (h) consideration of all comments received within the comment period on discussion documents and exposure drafts;*
- (i) consideration of the desirability of holding a public hearing and of the desirability of conducting field tests and, if considered desirable, holding such hearings and conducting such tests;
- (j) approval of a standard by at least eight votes of the IASB and inclusion in the published standard of any dissenting opinions;* and
- (k) publishing within a standard a basis for conclusions, explaining, among other things, the steps in the IASB's due process and how the IASB dealt with public comments on the exposure draft.

5 In addition to the formal steps of due process, the Board has undertaken extensive consultation with various interested parties. Nowhere has the consultation been as intensive as in Europe. Liaison with interested European parties has included the following:

- I hold regular meetings with officials from the European Commission and the Secretary General of EFRAG, the technical group that advises the Commission.
- Board members or senior staff attend all meetings of EFRAG.
- EFRAG is invited to attend the Board's meetings with the eight liaison standard-setters, held twice a year.
- The European members of the Board have formal country assignments, including their official liaison posts.
- Board members have had both regular and ad hoc meetings with industry groups. For example, Harry Schmid attends the technical accounting committee of the European Roundtable of Industrialists (ERT).
- In addition, the Board held nine sessions of public roundtable discussions on IASs 32 and 39 and has had meetings with a working party from the European Banking Federation to discuss IASs 32 and 39.

6 Recognising that some concerns remained regarding its procedures, the Board has also taken the following steps in recent weeks:

- it makes the Board's agenda papers available to EFRAG.

- the summary papers available to those observing Board meetings have been expanded, by including staff recommendations; these observer notes are now posted on the IASB Website
- provisional final drafts of the standards in the Improvements project are being posted on the IASB Website as they become available, so as to give constituents more time to prepare for the 2005 deadline.

7 Our recent meetings with senior executives of European business organisations (such as the European Roundtable) have revealed that in many cases the CEOs and CFOs were misinformed about the Board's decisions and procedures. This was despite the frequent contacts we have with the technical accounting people within companies. We have therefore decided to arrange quarterly meetings with a newly established CFO working group of the ERT and UNICE. On 13 October, Bob Herz (the chairman of the FASB) and I met this working group to discuss the convergence programme. The concerns raised in that forum show that there is a clear need to improve communications with constituents more generally. The European Roundtable meetings seem to have transformed the relationship.

8 In the coming months, therefore, the Board will balance its commitment to complete by 31 March 2004 the platform of standards for 2005 adoption with the need to assure the many interested parties that it is consulting adequately.

The standards for 2005

Improvements to International Accounting Standards

9 The Improvements project falls into two parts—the general project to improve twelve standards and the specific project to improve the two main standards on financial instruments.

10 The general project was the Board's response to the many specific criticisms that securities regulators, users, auditors and others had made of the standards that the Board inherited from its predecessor body. With the benefit of hindsight it is easy to conclude that the Board and its constituents underestimated the effort that would be required even for a deliberately limited programme of improvements. However, the final drafts of the twelve standards are now well advanced and the Board's balloting process has begun. The standards will be formally issued in revised form as a single publication later in the fourth quarter. Some of the revised standards will be finalised a few weeks before others but cannot be published until all are completed. As a service to those who need to know the contents of the revised standards as soon as possible, the Board has (as mentioned above) taken the novel step of posting each revised standard on its Website as and when the Board has approved it for issue. Although the standard will then be in virtually final form, readers are cautioned that it will be subject to review and possible minor editorial changes and corrections because of the interrelationship of the standards (for example, amended cross-references) up to the point when the Board has approved the last standard for issue.

Financial instruments: improvements to IASs 32 and 39

11 Since I last reported, the Board's work has continued to be dominated by the debate on IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 32 *Financial Instruments: Disclosure and Presentation*. The need for financial instruments standards is clear. At the end of 2002, the Bank for International Settlements estimated that the total

estimated notional amount of over-the-counter (OTC) derivatives contracts stood at US\$141.7 trillion, and the gross market values of those contracts was \$6.4 trillion. To reiterate, these standards have been in place since 1999 and have been used by many banking and industrial companies since IAS 39's effective date in 2000. Since it began work in 2001 the Board has not introduced or proposed new requirements on financial instruments, but has focused its efforts on improvements, proposed in an Exposure Draft last year, to ease existing requirements so as to improve implementation.

12 The Board has considered at length the comments received on the Exposure Draft of proposed improvements to IAS 32 and IAS 39, and has engaged in extensive dialogue with interested parties on the main issues, including:

- discussions with the Standards Advisory Council.
- nine roundtable discussions with interested parties during March conducted in Brussels and London. Over a hundred organisations and individuals participated.
- discussions with the Board's liaison standard-setters about the issues raised at the roundtables.
- discussions with the Big Four firms of accountants.
- many meetings between members of the Board and its staff and groups of constituents to explore other matters raised in comment letters and at the roundtables.

In the light of those discussions the Board has made 14 significant changes and believes that there is now sufficient agreement for it to proceed to issuing revised versions of IAS 32 and IAS 39. We aim to issue them by the end of this year, with advance versions on the Website to give preparers as much notice as possible before they are required to implement them.

13 On one limited topic—fair value hedge accounting for a portfolio hedge of interest rate risk—it has not yet been possible to reach complete agreement. Concern about the implications of this aspect of IAS 39 has been voiced most strongly by the banks, notably those in Europe. Although representatives of the Board have taken part in an intensive series of meetings with representatives of the European Banking Federation, it has not yet been possible to reach agreement on every issue relating to the approach to macro hedging. However, it is important to recognise that, with the help of the Federation, the Board has made substantial progress on this topic and that the area of disagreement has been narrowed down to two issues. The Board therefore published in August for public comment a limited exposure draft in which the banks' views are included. Dialogue with the banks is continuing during the comment period, and the Board's working party met members of the European Banking Federation on 14 October. We plan to continue meeting with this group in the coming months. We are also continuing discussions with the CEA (Comité Européen des Assurances)—the European Federation of National Insurance Associations—in connection with IAS 39. The Board aims to complete its due process in time to enable the amendment to be issued by the end of March 2004.

Business Combinations Phase I

14 In December 2002 the IASB published as part of phase I of its Business Combinations project ED 3 *Business Combinations*, and an Exposure Draft of Proposed Amendments to IAS 36 *Impairment of Assets* and IAS 38 *Intangible Assets*. The comment period for these Exposure Drafts closed in April and over 130 comment letters were received.

15 A number of the proposals in the Exposure Drafts would, if implemented, make a substantial change from the current requirements. The Board therefore, as part of its consultative process, conducted field visits during the comment period. These visits involved Board members and staff in meetings with 41 companies in Australia, France, Germany, Japan, South Africa, Switzerland and the United Kingdom. Board members and staff also took part in a series of roundtable discussions with auditors, preparers, accounting standard-setters and regulators in Canada and the United States. The discussions were on implementation issues encountered by North American companies during first-time application of the US standards SFAS 141 *Business Combinations* and SFAS 142 *Goodwill and Other Intangible Assets* and the equivalent Canadian Handbook Sections, which were issued in June 2001.

16 The Board's subsequent consideration of those consultations, and of the comments received on the Exposure Drafts, has led it to agree to make some significant changes to its proposals. The package of standards is scheduled for issue in March.

Business combinations: phase II

17 Phase II of the Business Combinations project does not form part of the measures to be in place by 31 March 2004. Its main feature is a joint project with the FASB on purchase method procedures, in which the two boards are examining the main issues that preparers and auditors commonly encounter in accounting for business combinations. This joint project is viewed by both boards as a broad reconsideration of existing guidance on purchase accounting (other than the guidance being developed as part of phase I of the Board's project), with the aim of achieving convergence.

18 The Board has substantially completed its review of this project. Keeping the convergence objective in mind, the two boards will reconsider at their separate meetings and their joint meeting in Toronto in October any issues on which they have reached different conclusions. The Board will then begin work on an exposure draft, for publication in the first quarter of 2004.

Share-based payment

19 The Board published an Exposure Draft, ED 2 *Share-based Payment*, in November 2002, in which it proposed that entities should recognise in their financial statements all forms of share-based payment, including expenses arising from grants of share options to employees. The Board has been reviewing its proposals in the light of the comments received. It has also been working with the FASB, which is developing an exposure draft to revise US GAAP on equity-based compensation. The two boards have reached agreement on most of the main issues in the project, and will meet in October to discuss remaining convergence issues. The Board plans to issue the IFRS in the first quarter of 2004 with an effective date of 1 January 2005.

Insurance contracts

20 This project continues a project begun by IASC at the end of 1997. There is no international standard on insurance contracts, and they are excluded from the scope of those standards that would otherwise be relevant (provisions, financial instruments, intangible assets). The Board has split the project into two phases and it published an Exposure Draft for phase I (ED 5 *Insurance Contracts*) at the end of July, with a comment deadline of 31

C:\Documents and Settings\cfleming\Local Settings\Temporary Internet

October. The Board intends to issue the ensuing IFRS by 31 March 2004. The proposals in ED 5 are intended:

- to ease the burden for insurers adopting IFRSs for the first time in 2005.
- to introduce requirements for disclosure about insurance contracts.

21 The following aspects of phase I have generated some controversy:

- Financial assets held by insurers would continue to fall within the scope of IAS 39. Some have expressed concerns that this causes a mismatch that will lead to misleading fluctuations in an insurer's equity when interest rates change.
- ED 5 proposes a requirement to disclose the fair value of insurance contracts from 31 December 2006. It seems likely that many will regard this proposal as premature. Insurers also seem likely to comment that other proposed disclosures are excessive.
- Some products sold by insurers fall within the scope of IAS 39. Some feel that IAS 39 does not give enough guidance on some features of these products.

The Board has been in contact with several of the main insurance groups, asking for them to provide input on how some of these issues might be resolved.

22 The Board asked staff in January 2003 to explore, as part of phase II, the possibility that insurance contracts might be measured at fair value. Much work remains to determine whether it is possible to develop that tentative conclusion into an IFRS that is consistent with the *Framework* and workable in practice. Because of constraints on staff and Board time, phase II has been largely dormant since January.

23 In September 2003, staff and six Board members attended a meeting of the Advisory Committee established by the Board for this project; the Committee discussed various aspects of phases I and II. Board members and staff have also had meetings with various parties interested in the project. The Board is now considering ways to engage industry representatives and other interested parties more effectively, for example by reconstituting the Advisory Committee.

Convergence

24 Reaching convergence is an objective for all the Board's projects. The following projects are described as convergence projects because they arise directly from a comparison of the requirements of IFRSs with those of national standards:

- short-term convergence with the FASB (a joint project with the FASB)
- post-employment benefits (a joint project with the Australian ASB)
- government grants
- segment reporting (a joint project with the FASB).

25 The short-term convergence project with the FASB covers differences between IFRSs and US GAAP that are not covered by other major projects and are thought capable of resolution in a relatively short period. Both boards have produced exposure drafts as a result of this project (the first FASB exposure drafts are due to be published on 31 October), with more expected in the next six months.

26 The post-employment benefits project focuses on a few acknowledged problems with the existing requirements in IAS 19, in particular the deferral of actuarial gains and losses and the presentation of an expected return on assets that does not reflect the actual changes in value of the assets. The timing of this project is under review because it depends heavily on the project on reporting comprehensive income.

27 The Board is aware that the existing standard on government grants, IAS 20, is not consistent with the *Framework*. The government grants convergence project involves assessing the requirements in Australian and US GAAP to see if either could provide the basis for a quick improvement.

28 IAS 14 *Segment Reporting* was revised in 1998 with a different outcome from the concurrent revision of segment reporting under SFAS 131 *Disclosures about Segments of an Enterprise and Related Information* in the US. At that time, it was agreed that the two standards should be reviewed after a number of years in operation to see which gave the better information. Such a review is under way as part of this convergence project.

Proposed amendments to IAS 37

29 As highlighted in the last report, the proposed amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* arise from two of the Board's projects: Short-term Convergence and Business Combinations phase II.

30 In the Short-term Convergence project the Board proposes to replace the requirements for restructuring provisions in IAS 37 with those from FASB SFAS 146 *Accounting for Costs Associated with Exit or Disposal Activities*. (SFAS 146 replaced requirements in US GAAP that were similar to the existing requirements in IAS 37 for restructuring provisions.) At the same time, the Board proposes to amend the requirements for termination benefits in IAS 19 so that they are consistent with the revised IAS 37 as well as converging with SFAS 146. In general, the proposals are expected to result in restructuring provisions being recognised at a later point than they are under current requirements. The Board completed its deliberations on these proposals at its May meeting.

31 Discussions in the Business Combinations phase II project about what assets and liabilities should be recognised by an acquirer at the acquisition date have required a re-examination of the terms "contingent assets" and "contingent liabilities" in IAS 37. These discussions are continuing.

32 The Board expects to publish an exposure draft of a revised IAS 37 early next year.

Disclosures of risks arising from and other disclosures relating to financial instruments

33 The scope of this project originally focused on revising IAS 30 *Disclosures in the Financial Statements of Banks and Similar Financial Institutions*. However, the Board agreed that it was inappropriate to limit the scope of the project to banks and similar financial institutions. Accordingly, the scope was expanded to cover entities with financial activities, rather than merely financial institutions. As work proceeded it became apparent that risks arise from, and the same disclosures are relevant to, all financial instruments. Therefore, the focus (and the name) of the project was changed to cover all entities that have financial instruments. To advise the Board on this project, an Advisory Group was set up.

34 In July the Board confirmed its support for the Advisory Group's proposals and tentatively agreed that the aim was to publish a proposed IFRS and amendments to existing standards for public comment in mid-2004 and to issue the final documents early in 2005. The proposed changes would be effective for annual periods beginning after on or after 1 January 2007, with earlier adoption permitted or encouraged.

Exploration and evaluation activities

35 In April, the Board agreed to develop interim guidance on the application of IFRSs to exploration and evaluation activities. At present, entities in the extractive industries (including oil and gas and mining entities) use a variety of methods to account for their exploration and evaluation activities: some write off all costs incurred before exploitable reserves are discovered, others defer all costs until it is evident that exploitable reserves have not been discovered, others do something in between. A working group of national standard-setters (Australia, Canada, Norway and South Africa) presented a report to the Board in April recommending that it should develop guidance permitting existing accounting practices to continue within IFRSs pending further study. The working group was concerned that, without such guidance, entities could be forced to change their accounting policies quite radically, leading to a solution that the Board might not accept at a later date once its own longer-term project on extractive industries generally was completed.

36 The interim guidance will permit existing accounting practices for exploration and evaluation activities to continue but will require an IAS 36 impairment test. However, that impairment test should be conducted at the same level as it was applied previously (rather than at the level otherwise required by IAS 36). This means that impairment may be tested at the level of an individual well (or group of wells) or to a larger area (eg a country).

Small and medium-sized entities

37 An important new initiative that may also lead to new standards for 2005 is the project on small and medium-sized entities (SMEs). Most European companies have a statutory (legal) obligation to prepare GAAP financial statements. In Europe there are roughly 5 million companies. Nearly all are SMEs (by any definition). This figure contrasts with only 9,000 listed European companies that will be required to follow IFRSs. Similar statutory reporting requirements exist in many countries outside Europe, though not in the United States.

38 Today no developed economy requires these little companies to follow a reporting regime as rigorous as IFRSs or US GAAP. That is not likely to change, for various reasons. Something less rigorous than IFRSs is needed. But it needs to be built on the same concepts as IFRSs, allow easy transition to full IFRSs for those SMEs that prosper, and be focused on meeting the needs of users of SMEs' financial reports.

39 The issue confronting the Board was whether it should develop a simplified SMEs GAAP based on IFRSs that was suitable for use globally by the millions of SMEs with a statutory reporting obligation, or, while recognising the need for SMEs GAAP, it should concentrate its efforts on standards for listed entities and others with a public accountability, and leave SMEs GAAP to others, such as the European Commission, the UN, or even to each individual country.

40 I am pleased to report that the Board has discussed this question at its recent meetings and has agreed unanimously to do the job itself. In the past few months, the project has moved from back burner to fast track. The Advisory Panel has met for the first time, and a Director of Standards for SMEs has been engaged.

41 In July, the Board approved, as the objective of the project, reducing the financial reporting burden on SMEs, and in September it made the following further decisions:

- The Board should develop accounting standards appropriate for SMEs.
- The Board should describe characteristics of SMEs but not define them quantitatively. That is a national responsibility. Characteristics might include (a) no listed debt or equity securities and (b) no other public accountability such as that arising in the banking, insurance, and public utility industries.

42 The project will start by extracting the basic principles from IFRSs and then make modifications on the basis of the needs of users of SMEs' financial statements. Disclosure and presentation modifications are likely to be justified on the basis of users' needs, but there is a rebuttable presumption of no recognition and measurement modifications, unless they are justified by users' needs and cost/benefit analysis. Moreover, if the new SMEs' GAAP does not address an issue, full IFRSs would be a mandatory fallback. The Board expects to issue the new SMEs' GAAP in a separate printed volume, not as add-ons to existing standards.

43 It may be possible to publish an exposure draft of SMEs' GAAP by the second half of 2004 and to issue final standards in 2005.

44 In September the Board hosted a meeting of 40 of the world's national accounting standard-setters. In preparation for that meeting we surveyed them on their views on what the Board should do. With near-unanimity they supported the policy that the Board has now adopted, though 24 of the 28 who responded also favoured simplification of some recognition and measurement principles for SMEs.

45 Our new director has also held meetings in Brussels with European Commission staff led by Karel Van Hulle and with EFRAG. Both were very supportive of the direction of the Board's project. Further meetings are planned with European bank lending officers, venture capitalists, and an association of small auditing firms.

Other projects

Reporting comprehensive income

46 This project aims to improve the presentation of income and expenses for the benefit of users. The Board has developed a provisional format for a single statement of comprehensive income. This format has been discussed extensively in exploratory field visits, conducted with users and reporting entities representing a large number of countries and industries. The field visits highlighted that this project is controversial, particularly in its possible implications for subtotals of reported financial performance (eg earnings and net income) and also in possible implications for specific industries (such as banking and insurance). The project is currently under review.

Consolidation (including special purpose entities)

47 The objective of this project is a new standard that addresses the consolidation of all entities and replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation—Special Purpose Entities*. It is likely that the concept of control resulting in consolidation will be a broad one. This factor, in addition to whichever approach is selected for the consolidation of special purpose entities, is expected to be of particular interest to our constituents. As this project progresses, therefore, there will be discussions with interest groups and extensive field-testing of the concepts being developed, along with continuing dialogue with the FASB and other national standard-setters. The aim is to publish an exposure draft before the end of 2004.

Leasing

48 The research project on leasing is being considered for formal admission to the Board's agenda as an active project. The objective will be to ensure that accounting for leases results in the recognition of assets and liabilities consistently with the *Framework* definitions. The principal outcome is likely to be the removal of the distinction between operating and finance leases. This would be a big change in lease accounting and of particular interest to our constituents. The UK ASB is preparing the research for this project.

Revenue recognition

49 The Board has continued working with the FASB in developing a comprehensive set of principles for revenue recognition. Since June, the Board has discussed the topic at three meetings. At those meetings, the Board continued analysing the implications of contractual rights and obligations for the timing of revenue recognition. This included considering whether and when an entity should account for a contract as a whole or recognise individual assets and liabilities arising from a contract. The Board examined various case studies illustrating a proposed conceptual model for accounting for contractual rights and obligations. The Board also received a presentation from staff of the UK ASB on whether the fair value of a contractual obligation to a customer should be determined in the wholesale or retail market, and the implications of that choice for the timing of revenue recognition.

Measurement

50 The Canadian ASB (AcSB) is undertaking a preliminary investigation of measurement bases in financial accounting as input to the Board's project to amend its *Framework* in respect of measurement. Since June, representatives of the AcSB have presented drafts of a discussion paper on its preliminary investigation at three Board meetings, two of which were held with national standard-setters. The AcSB has almost completed the part of its discussion paper concerning measurement on initial recognition, and plans to develop the part concerning measurement of asset impairment for discussion in the first quarter of 2004.

The International Financial Reporting Interpretations Committee (IFRIC)

Draft Interpretations

51 Since my report for the previous meeting of the Trustees, Draft Interpretation D2 *Changes in Decommissioning, Restoration and Similar Liabilities* was published for comment on 4 September, and (at its meeting in September) the IFRIC approved (subject to drafting) two more Draft Interpretations: one addressing multi-employer pension plans and

one on rights of use (determining whether an arrangements contains a lease). Another three topics are in the final stages of development and could be approved for publication in December.

52 At its September meeting, the IFRIC discussed comments received on Draft Interpretation D1 *Emission Rights* and began its redeliberations.

Current agenda

53 The IFRIC's current agenda includes:

- the scope of IAS 11 *Construction Contracts* and issues of combining and segmenting contracts (a US GAAP convergence project)
- defined contribution plans with a guaranteed minimum return on assets
- using net present value techniques in the absence of observable fair value (raised in the context of IAS 41 *Agriculture*)
- decommissioning funds (whether these are subsidiaries, associates, joint ventures or something else)
- first-time application of hyperinflationary accounting

54 In addition, the IFRIC has begun its consideration of several issues related to service concession arrangements. These issues have come to the IFRIC as a result of a report to the Board by a group of national standard-setters (Australia, France, Spain and the UK) that was tabled in April. This project is a large undertaking and could result in several Interpretations or amendments to standards. The next phase of the IFRIC's work will be to develop comprehensive examples to be used to educate IFRIC members and to test proposed solutions. The questions facing the IFRIC include:

- Is lease accounting the appropriate model to apply in accounting for service concession arrangements and similar arrangements?
- Do any obligations arise under arrangements like service concession arrangements that are not lease obligations or other obligations that relate to equally unperformed executory contracts? If they do, how should they be accounted for?

It is possible that the IFRIC will be able to publish one or more Draft Interpretations in mid-to late-2004. Given the complexity and interrelationship of the issues, it is unlikely that the IFRIC could produce Interpretations before then.

Meeting more often

55 By December, the IFRIC will have met six times in 2003. For 2004 nine meetings have been scheduled. This is in anticipation of increased activity as the Board completes the 2005 stable platform and preparers and their professional accountants get ready for the transition to IASB standards. This heavier workload has implications for the staff resources to support the IFRIC's activities, on which I am making recommendations elsewhere.

DAVID TWEEDIE