

## Accounting Standards Board

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### The Role of the ASB: ASB Invites Comments on its Policy Statement

ASB PN 266

16 March 2005

The Accounting Standards Board (ASB) today published an Exposure Draft of its [Policy Statement](#) 'Accounting Standard-setting in a Changing Environment: The Role of the Accounting Standards Board'. It sets out, for consultation, the ASB's views on its future role.

The draft Policy Statement argues that the most significant future role of the ASB will be in contributing to the development, with IASB and others, of a set of high quality global accounting standards. The ASB has the capacity as an established national standard-setter to be a valuable source of accounting thought and insight for the IASB and an influential voice in debates on new accounting standards.

The ASB will contribute to the development of IFRS in a number of ways on different projects: contributing directly as part of the IASB team; communicating its views on IASB proposals; and, especially through EFRAG, contributing to the exchange of views within Europe. In all of its work the ASB is conscious of the importance of maintaining a two-way dialogue with its constituents, so that the ASB will develop its own views on the merits of IASB proposals, reflecting the views and concerns of its constituents.

The other major activities of the ASB include:

- a. Influencing European Union policy on accounting standards, including the endorsement of IFRS
- b. Achieving convergence of UK accounting standards with IFRS;
- c. Improving other aspects of UK accounting standards;
- d. Improving communication between companies and investors, including developing and implementing standards for the OFR.

Introducing the Exposure Draft Ian Mackintosh, ASB Chairman, said:

"The Exposure Draft sets out the ASB's vision of its role in the changing environment of standard-setting. The Board has an important role to play in contributing to the development of IFRS and working effectively in the international partnership of standard-setters. Effective communication, both with the IASB and UK constituents, will be a key part of achieving this: therefore during the consultation period I look forward to discussing the Board's role with many UK constituents."

Reflecting its role in issuing and maintaining UK accounting standards, the ASB has also published today its technical plan, including details of convergence standards and the ASB's other projects, which gives a timetable for expected publications during 2005. It can be found at <http://www.frc.org.uk/asb/technical/techplan.cfm>. In pursuing convergence the ASB will continue to take into account the circumstances of a variety of different entities, including large entities, wholly-owned subsidiaries, smaller entities and public-benefit entities.

The Exposure Draft also sets out the ASB's proposed policy in relation to responding to issues where an interpretation of accounting standards might be required. As the Board believes that IFRIC is the appropriate body to interpret IFRS, this limits the desirability of the interpretation of IFRS-based standards. However, where guidance from IFRIC appears unlikely to be available in time to meet the needs of UK constituents, the UITF will consider promulgating non-mandatory 'UITF views' in the meantime.

Comments on the Exposure Draft are invited by 15 September 2005.

#### Notes to Editors

1. The ASB is an operating board of the Financial Reporting Council (FRC). The FRC is a unified, independent regulator. Its mission is to promote confidence in corporate reporting and governance. The FRC incorporates five operating boards: the ASB, the Auditing Practices Board, the Financial Reporting Review Panel, the Accountancy Discipline and Investigation Board and the Professional Oversight Board for Accountancy.
2. The role of the ASB is to issue accounting standards. The ASB collaborates with accounting standard-setters from other countries and the International Accounting Standards Board (IASB) both in order to influence the development of international standards and in order to ensure that its standards are developed with due regard to international developments.
3. The ASB has up to ten Board members, of whom two (the Chairman and the Technical Director) are full-time, and the remainder, who represent a variety of interests, are part-time.
4. The Urgent Issues Task Force (UITF) is a committee of the ASB and comprises a number of people of major standing in the field of financial reporting. Its main role is to assist the ASB in areas where an accounting standard or Companies Act provision exists, but where unsatisfactory or conflicting interpretations have developed or seem likely to develop. Where the UITF reaches a consensus on an

issue (which is achieved only when at least eleven members vote and no more than two dissent) the ASB promulgates the consensus in the form of a UITF Abstract.

5. The Exposure Draft builds on the Discussion Paper 'UK Accounting Standards: A Strategy for Convergence with IFRS', which the ASB published in March 2004.
6. The text of the Exposure Draft is available free of charge from the ASB's website at <http://www.frc.org.uk/asb/publications/>. Hard copies are available, price £3.00 (post-free), from ASB Publications, 145 London Road, Kingston upon Thames, Surrey, KT2 6SR (020 8247 1264). Web: [www.asbpublications.com](http://www.asbpublications.com).
7. All Press enquiries should be directed to: Ian Mackintosh (Chairman) on 020 7492 2434 or Andrew Lennard (Technical Director) on 020 7492 2430.