



International Federation of Accountants

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Agenda Item

7

Meeting: IAASB
Meeting Location: New York
Meeting Date: March 16-19, 2009

Responding to Emerging and Urgent Issues

Objective of Agenda Item

1. To obtain the IAASB's views on:
 - (i) A possible structure for the issue of non-authoritative guidance documents in response to an emerging issue or otherwise in the public interest; and
 - (ii) Whether any provision for amendment of IAASB's authoritative pronouncements on a rapid response basis is appropriate, and if so, the nature of the process to be followed.

Matters for Consideration

2. There is at present no formal process or structure established for the issue of non-authoritative guidance that may be helpful in addressing practice issues or in response to an emerging issue, in lieu of development or revision of a pronouncement, but that does not carry obligations on the professional accountant. It is likely that the IAASB will need to resolve relatively soon the question of the type of vehicle(s) that could be used to issue such guidance in a manner more expeditious than the current operating practices permit. Any additional guidance by the IAASB on auditing fair value (if it is agreed that something is needed), for example, would need to be produced in the near term if it is to have timely impact.
3. There is also no established mechanism by which the IAASB can revise or amend its authoritative pronouncements on a rapid response basis other than through the application of full due process. Recent events with the International Accounting Standards Board and the interpretation issues discussed at the December 2008 IAASB meeting regarding certain of its clarified ISAs, however, provide examples where a rapid response mechanism would have been useful. On the other hand, there is the view that no steps should be taken outside the well-established due process of the IAASB to amend its standards.
4. Staff believes that both of the above elements are relevant to the way forward in respect of a rapid response mechanism. The main issue to be resolved is the trade-off between the timeliness with which a response can be issued and the process that should followed in its development to maintain quality.
5. The accompanying Discussion Papers outline Staff's initial views on how the IAASB and IFAC's other Public Interest Activity Committees (PIACs) may address the issue of rapid

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responses. The Papers are draft and have not yet been discussed with the IAASB Consultative Advisory Group, the other PIACs, or the Public Interest Oversight Board.

Material Presented

Agenda Item 7-A	Discussion Paper – Structure for Non-Authoritative Documents
Agenda Item 7-B	Discussion Paper – Framework for Rapid Authoritative Responses to Emerging and Urgent Issues

Action Requested

The IAASB is asked to consider the matters raised in the accompanying Discussion Papers and provide input and direction to Staff on the way forward.