

CHARTER OF THE IASCF MONITORING BOARD

PREAMBLE – THE MISSION OF THE IASCF MONITORING BOARD

WHEREAS, the primary objective of general purpose financial reporting is to provide financial information about the issuer to capital providers;

WHEREAS, the quality of the financial information issuers provide is essential to the confidence of capital providers in making investments;

WHEREAS, capital markets authorities are generally charged with determining the financial information issuers must give to capital providers, and historically have looked to private independent bodies to assist in establishing those standards;

WHEREAS, International Financial Reporting Standards (“IFRS”) are increasingly used around the world, neither the setter of these standards, the International Accounting Standards Board (“IASB”), nor its public interest overseer, the International Accounting Standards Committee Foundation (“IASCF”), currently has a formal accountability mechanism to capital markets authorities;

WHEREAS, establishing a formal relationship between capital markets authorities and the IASCF will facilitate the ability of capital markets authorities that allow or require the use of IFRS in their jurisdictions to effectively discharge their mandates relating to investor protection, market integrity and capital formation;

The members of the IASCF Monitoring Board:

RESOLVE THAT THE IASCF MONITORING BOARD’S MISSION IS:

To cooperate to promote the continued development of International Financial Reporting Standards as a high-quality set of global accounting standards;

To monitor and reinforce the public interest oversight function of the IASCF, while preserving the independence of the IASB. In that regard:

To participate in the selection and approval of the IASCF Trustee¹ appointments; and

To advise the IASCF Trustees with respect to the fulfillment of their responsibilities, in particular with respect to regulatory, legal and policy developments that are pertinent to the IASCF's oversight of the IASB and appropriate sources of IASCF funding;

To discuss issues and share views relating to International Financial Reporting Standards, as well as regulatory and market developments affecting the development and functioning of these standards;

AND DECIDE to carry out its mission, to assemble together, in the IASCF Monitoring Board, governed by the present Charter.

Article 1 Description of the IASCF Monitoring Board

- A. The IASCF Monitoring Board is a group of capital markets authorities that are responsible for setting the form and content of financial reporting in their jurisdictions, have a responsibility to protect and advance the public interest and are strongly committed to supporting the development of high quality international accounting standards.
- B. The IASCF Monitoring Board is composed of members and observers as set forth at Appendix A. The IASCF Monitoring Board may in the future include representatives of other capital markets authorities as described in subparagraph A as members.
- C. The IASCF Monitoring Board is not a legal entity.

¹ The terms "IASCF Trustee" and "IASCF Trustees" in this Charter have the same definition as "Trustees" in the _____ 2009 Constitution of the IASCF, as amended from time to time, available at www.iasb.org.

Article 2 Role and Duties of the IASCF Monitoring Board

The role and duties of the IASCF Monitoring Board are as described in the Memorandum of Understanding among the founding members of the IASCF Monitoring Board and the Chairperson of the IASCF Trustees on behalf of the IASCF, as modified from time to time.

Article 3: Organization of the IASCF Monitoring Board

- A. The Chair of the IASCF Monitoring Board shall rotate among its members. Each term as chair will last two years.
- B. The Chair of the IASCF Monitoring Board shall provide the group's secretariat services.
- C. The IASCF Monitoring Board will not have a budget. Each member of the IASCF Monitoring Board will pay its own expenses related to participation in the IASCF Monitoring Board.

Article 4 Chair

The Chair will be chosen from among the IASCF Monitoring Board members and will serve for a term of two years.

The Chair, inter alia:

- A. shall preside over IASCF Monitoring Board meetings, including proposing relevant questions for discussion and membership votes;
- B. shall serve as the liaison between the IASCF Monitoring Board and other organizations;
- C. shall schedule IASCF Monitoring Board meetings as required by this Charter, including those with representatives of the IASCF and the IASB, and shall establish a draft agenda for distribution to and consultation

with the IASCF Monitoring Board Members in advance of meetings;

- D. as appropriate, shall propose committees of the IASCF Monitoring Board to the membership, which shall be agreed and appointed in accordance with the voting procedure set out in Article 9 of the Charter; and
- E. shall provide leadership for IASCF Monitoring Board deliberation on issues relevant to the current and future status of public interest oversight of the IASCF and International Financial Reporting Standards.

Article 5 New Members

- A. Decisions regarding whether to admit new members to the IASCF Monitoring Board shall be made by consensus. New members must fit the description contained in Article 1.A.
- B. Prospective member organizations shall provide the IASCF Monitoring Board with a declaration, signed by an authorized official, that the prospective member organization has reviewed and accepts the Charter of the IASCF Monitoring Board.

Article 6 Observers

- A. The IASCF Monitoring Board members, by consensus, may admit certain organizations to be observers to the IASCF Monitoring Board.
- B. Observers may attend any meeting of the IASCF Monitoring Board, unless decided otherwise by its members.
- C. Observers shall not vote in any IASCF Monitoring Board decisions, but may share their views with IASCF Monitoring Board members in discussions surrounding IASCF Monitoring Board decisions.

Article 7 Meetings

- A. The IASCF Monitoring Board will meet at least annually on its own.
- B. The IASCF Monitoring Board will meet at least annually with all or a quorum of the IASCF Trustees, the Chairperson of the IASCF Trustees, and/or the Chairpersons of the IASCF Trustees and the IASB.
- C. The Chair shall provide advance notice regarding meetings to the IASCF Monitoring Board members and observers.
- D. The Chair shall prepare and transmit a proposed agenda to the IASCF Monitoring Board members and observers in advance of meetings. IASCF Monitoring Board members and observers may contribute items to the agenda.

Article 8 Attendance

- A. IASCF Monitoring Board members and observers should endeavor to attend all Monitoring Board meetings.
- B. The leader of each IASCF Monitoring Board member and observer will be the representative to the IASCF Monitoring Board. In exceptional circumstances, the leader may designate another senior official from a Monitoring Board member to represent it as necessary and appropriate. Additional persons from each organization may also attend as necessary and appropriate.
- C. A member of the IASCF Monitoring Board may not occupy more than one seat on the IASCF Monitoring Board, even if representing a separate organization.

Article 9 Voting

- A. Decisions of the IASCF Monitoring Board, including the selection of a chairperson, shall be made by consensus among its members.
- B. Whenever, in the judgment of the Chair, any action by the IASCF Monitoring Board must be taken which should not be postponed until the next meeting, the Chair shall request that the IASCF Monitoring Board members vote without meeting. Votes may be cast in person or by mail, phone, facsimile or e-mail.

Article 10 Termination

The IASCF Monitoring Board members may terminate the IASCF Monitoring Board at any time by consensus.

Article 11 Amending the Charter

- A. The Charter can be amended by consensus of IASCF Monitoring Board members.
- B. The Charter may be amended by the IASCF Monitoring Board members at any meeting thereof or by vote without a meeting as provided in Article 9, Subparagraph B.

in advance and ratified
Signed at London, UK, this 1st day of April, 2009.

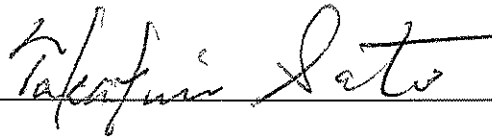
Charlie McCreevy, Commissioner
For the European Commission



Jane Diplock, Chairperson
For the Executive Committee of the
International Organization of
Securities Commissions



Christopher Cox, Chairman
For the United States Securities and
Exchange Commission



Takafumi Sato, Commissioner
For the Financial Services Agency of
Japan

APPENDIX A

IASCF Monitoring Board Members

Emerging Markets Committee of the International Organization of Securities
Commissions (IOSCO)
European Commission
IOSCO Technical Committee
Financial Services Agency of Japan
United States Securities and Exchange Commission

IASCF Monitoring Board Observers

Basel Committee on Banking Supervision