

IFRS Briefing Sheet

Financial Crisis Advisory Group requests responses to financial crisis related questions

March 2009, **Issue 127**

This IFRS Briefing Sheet summarises the request from the Financial Crisis Advisory Group (FCAG, or the Group) for input on a number of global financial crisis related matters. This input request was published on 10 March 2009. Comments are due by 2 April 2009.

Summary of the Input Requested

The FCAG is seeking written input from constituents to assist it in its discussions and to obtain support for its recommendations to the Boards. The FCAG has requested responses to a set of questions in which it has asked:

- for any circumstances in which financial reporting has helped identify issues of concern during the global financial crisis
- if different loan provisioning requirements were required by prudential regulators, e.g., dynamic loan provisioning, how the difference of such requirements compared to IFRSs / U.S. GAAP requirements would be reflected in the financial statements
- whether issues surrounding off-balance sheet accounting have been more contributory to the financial crisis than fair value accounting issues
- whether a mixed attribute model or a full fair value model would be supported for accounting for financial instruments
- for the criteria that an accounting standard-setter should consider when balancing the need for addressing urgent issues while aiming for active engagement of constituents and due process
- whether any financial-crisis related issues that the Boards have

Background and Executive Summary

The International Accounting Standards Board and the U.S. Financial Accounting Standards Board (together the Boards) are in the process of addressing accounting issues emerging from the global financial crisis.

The Boards have established the FCAG, comprised of senior leaders with broad international experience with financial markets, to assist in that process. The primary function of the FCAG is to advise the Boards about:

- the standard-setting implications of the global financial crisis; and
- potential changes to the global regulatory environment.

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indicated they will address are better addressed by or together with other organisations.

The FCAG also has requested constituents to provide any other related input.

Next Steps

The FCAG plans to hold its fourth meeting in London on 20 April 2009, at which time it is expected to consider responses from this input request.

The Group is expected to conclude its activities by mid-2009.

If you would like further information on any of the matters discussed in this issue of *IFRS Briefing Sheet*, please talk to your usual local KPMG contact or call any of KPMG firms' offices.

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