



The Quoted  
Companies Alliance

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The Financial Times  
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23 June 2008

Dear Sir,

I refer to the letter from Mr Michael Starkie (FT 12/06/08) and agree fully with what he says about the nature, complexity and occasional irrelevance of the International Financial Reporting Standards. The Quoted Companies Alliance (QCA) has long been critical of the IASB, its composition and its output and I feel it is very telling that Mr Starkie who is speaking from experience within a FTSE 100 company, and ourselves, who represent companies outside the FTSE 350, agree. Our views have been formed with a full recognition of the challenge and enormity of the task undertaken by the IASB and the timetable set by the EU.

As Mr Starkie points out it is the composition of the IASB which also, in our view, is at the heart of the reason why we are where we are.

Interestingly the article by Robert Pozen in your newspaper on 20 June (Much needed beacon for investors in difficult times) bears this out. The US committee under Mr Pozen is mandated to 'reduce complexity and improve transparency in financial reporting to investors' and is composed of 16 members representing investors, companies and other sectors of the securities markets.

These include individuals selected to represent inter alia, Fortune 500 technical committees; banking regulators; individual investors; mid-size companies; auditors of mid-size and smaller public companies; auditors of large and multi-national public companies; Fortune 500 audit committees; mutual funds; small and mid-size company audit committees etc. etc.

There is no such representation on the IASB. I suggest if there had been from the outset – or even now - neither Mr Starkie nor I would have cause to be writing in criticism.

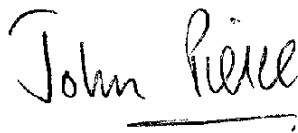
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We are told by the IASB that the Standards reflect what the users of accounts – the main ones being investors – want.

I find it very relevant to this whole discussion that only last year, 2007, was someone from the investment community appointed to the IASB.

Six years too late.

Yours faithfully,

A handwritten signature in black ink that reads "John Pierce". The signature is written in a cursive style with a horizontal line underneath the name.

John E Pierce  
Chief Executive  
Quoted Companies Alliance