

17-9-2004

Dear friends,

Re: First results of the IAS 32 / D8 consultation

Analysing the results of the consultation on IAS 22 / IFRS3 (which closed on July 31st) and the one on IAS 32 / D8 (which closed on September 13th), as they appear on the www.iasb.org website, the following preliminary conclusions can be drawn:

- In both cases, the majority of responses seem to be on the side of the mainstream position reached within the cooperative movement, including the responses coming from the “big 4” global consulting firms, as well as accounting organisations.
- In both cases, the cooperative movement at the world level has been able to make its voice heard: the ratio between letters coming from the cooperative movement + organisations of mutuals on the one hand, and the total of letters uploaded on the website on the other is, in the first case, 40% (about 30 letters upon 75) and, in the second case, 82% (about 60 letters upon 73). Nevertheless, in the first case, we observe a better geographical distribution, with the participation of Latin America and (through a Kenyan accounting firm linked to the cooperative movement) also Africa, two continents that are absent in the letters from cooperative organisations on IAS 32 /D8. The performance reached in the first case (IAS 32 / IFRS3) should also take into account that the whole process took only 2 weeks, whereas in the second case (IAS 32 / D8), it took about one year.
- In terms of contents of the letters, in both cases we find rather unified positions from the cooperative movement. However, such unity is clearer in the case of IAS 22/IFRS3. In the case of IAS 32/D8, despite a majority broadly supporting the D8 interpretation, the positions vary from total support of the D8 interpretation to total rejection, with a number of intermediary positions, such as proposals of partial reformulation, or the assertion that D8 is only a step in the right direction.
- The comment letters which totally and explicitly reject the D8 interpretation come mainly from one cooperative sector, agriculture, and not only in Europe (e.g. New Zealand), and although some cooperative organisations from that sector do support D8 (e.g. France).
- In the future, it may be important to establish more inter-sectoral working groups, such as the one we organised under a big time pressure (2 weeks) in July on IAS 22 / IFRS3, and proceed to a more inter-sectoral and inter-regional consensus-building work at the world level.

Best regards,

Bruno Roelants