



Chris Watson, Executive Editor  
Terence Corcoran, FP Editor  
Financial Post  
300 - 1450 Don Mills Road  
Don Mills, Ontario  
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July 18, 2005

Dear Sirs:

The Committee on Corporate Reporting (CCR) of Financial Executives International Canada wishes to respond to your paper's coverage of the accounting standards setting process in Canada. FEI Canada is an all-industry association for senior financial executives with currently over 1,700 members across Canada. CCR represents Canadian companies, large and small, and its membership includes senior financial executives from over 35 organizations.

CCR is acutely interested in ensuring the quality and appropriateness of Canadian generally accepted accounting principles (GAAP). Through our active participation in standard setting in Canada, we contribute to a process that ensures investors and stakeholders are provided with financial information that fairly represents an organization's results of operations.

We believe that your coverage of the standard-setting process has been one-sided. We object to remarks made by individuals who do not participate in the process and make assertions based upon limited information. The process for approval of new accounting standards issued by the Accounting Standards Board (AcSB) and Abstracts issued by the Emerging Issues Committee includes a request for public comment. For this process to be successful, interested parties must submit their views for consideration by the AcSB. It has been our experience that the AcSB actively seeks input from the auditor, preparer, user and academic communities, considers all views presented to them, not just those of the Big Four auditing firms, is responsive to issues raised on proposed standards and abstracts, and makes changes to proposed standards when there are grounds to do so.

The AcSB recently issued its draft strategic plan on the future direction of the Canadian standard-setting process and is seeking stakeholder input to this plan. This is a critical decision for the future. Stakeholders must take this opportunity to participate in the process. Merely standing by and criticizing the outcome accomplishes little in this important debate in ensuring Canada continues to have world class accounting standards and continues to play a role in the development of international and US standards.

CCR will be providing its views on the proposed strategic plan to the AcSB and encourages those who have an informed opinion to participate as well. All stakeholders having an interest in the quality of financial reporting should express their views on the future of Canadian GAAP.

Sincerely,

Alister Cowan  
Chair, Committee on Corporate Reporting  
Financial Executives International Canada