European Accounting Association (EAA)
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Mr Erkii Liikanen
Chair, IFRS Foundation Trustees
IFRS Foundation
Colombus Building 7
Westferry Circus Canary Wharf
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October 30, 2026

Re. European Accounting Association response to proposed amendments to the IFRS Foundation Constitution

Dear Mr. Liikanen, dear Trustees,

The EAA welcomes the opportunity to comment on the IFRS Foundation Trustees' Exposure Draft, Proposed Targeted Amendments to the IFRS Foundation Constitution, published in August 2026. We represent the accounting academic community in Europe and internationally, with more than 2,500 members from over 60 countries. Our principal concern is that reducing the size of the boards, particularly the International Accounting Standards Board (IASB), could further weaken academic representation and the contribution of rigorous research to standard-setting decisions.

We acknowledge that the Foundation's financial situation may require prompt organizational changes. We also wish to highlight the value of the constructive relationship between the Foundation and the academic community, including the EAA joint activities and communication have increased in recent years, and we acknowledge the efforts made to strengthen these ties and to take accounting research into account in standard setters' decision-making.

Nevertheless, we also believe that the materials presented to downsize do not provide a sufficiently detailed analysis of the causes of the Foundation's worsening financial position or of the alternatives available to address it. We would also welcome separate assessments of the implications for the IASB and the International Sustainability Standards Board (ISSB), given their different circumstances, organisational arrangements and objectives. Such assessments would provide a stronger basis for evaluating the proposed changes to board size.

In our view, cost reductions should not come at the expense of the expertise, representativeness and diversity needed for high-quality technical deliberations. For a global standard-setting organisation, diversity encompasses both geographical representation and the professional and academic backgrounds of board members. In the case of geographical diversity reducing American representation to 2 members makes very likely to ignore all (or most) South American countries. In the case of Europe, which a great diversity in their circumstances, most countries will be ignored.

In terms of background diversity, academic representation is already very limited (nil currently in IASB), and smaller boards are likely to make it much more difficult to retain this essential perspective. We therefore urge the Trustees to pursue other opportunities to reduce costs rather than reduce the size of the IASB.

We consider direct participation by a board member with a strong academic and research background essential. Such a member can bring objective, reliable research findings into technical debates as they develop, assess the quality and relevance of the available evidence, and contribute directly to the Boards' decisions. We therefore ask the Trustees to safeguard this representation on the IASB and to give explicit consideration to ensuring academic representation on the ISSB.

The Foundation's engagement with academia is valuable, but it serves a different purpose from academic membership of a board. A board member acting as a liaison with academia, academic consultation groups or advisory panels can support the exchange of knowledge. These arrangements cannot, however, substitute for the continuing participation of an academic board member in deliberations and decisions. The Foundation's constructive relationship with the EAA and other academic organisations should complement direct academic representation.

Weakening this direct contribution would create three related risks. First, standard-setting debates could give insufficient weight to rigorous research on the causes and consequences of accounting practices, standards and reported figures. Second, the Foundation could make less effective use of the substantial resources, mainly publicly funded, invested in accounting research worldwide, limiting the contribution of research to society. Third, overlooking relevant evidence could lead to decisions that generate additional costs for the Foundation over the longer term.

We therefore kindly ask the Trustees to reconsider the proposed reduction in IASB membership, provide a fuller explanation of the financial pressures and alternative cost-saving measures, and assess the needs of the two boards separately. Any changes to the Constitution should preserve the diversity of expertise required for robust technical debate and safeguard the direct contribution of academic research to the Foundation's standard-setting work.

Yours sincerely,

On behalf of the EAA





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