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Dear Sir Tweedie,

Last November G20 Leaders agreed on an Action Plan to reform the global financial system. They mandated their finance ministers to ensure that the tasks set forth in the Action Plan are fully implemented.

The G20 troika established four working groups to deliver progress on the Action Plan. Working Group 2 on “Reinforcing International Cooperation and Promoting Integrity in Financial Markets” is co-chaired by Mexico and Germany. WG 2 was asked to take forward work on regulatory and supervisory cooperation, on IMF and FSF collaboration, and on promoting market integrity.

WG 2 will need to undertake work *inter alia* on the following G20 Action Plan issues:

G20 Action Plan No. 4

- *With a view toward promoting financial stability, the governance of the international accounting standard setting body should be further enhanced, including by undertaking a review of its membership, in particular in order to ensure transparency, accountability, and an appropriate relationship between this independent body and the relevant authorities.*

G20 Action Plan No. 27


- *International standard setting bodies, working with a broad range of economies and other appropriate bodies, should ensure that regulatory policy makers are aware and able to respond rapidly to evolution and innovation in financial markets and products.*

The IASC Foundation is reviewing its constitution. While the proposal on the link to the external monitoring group is scheduled to be approved at the Trustees' meeting in Delhi on 15/16 January, the approval on the expansion of and the geographical diversity for the IASB membership is pending.

We would very much appreciate to receive as an input for the report we are currently drafting, in particular, an update on the constitution review (considering especially that G20 Action Point 4 is an immediate action that is expected to be implemented by end-March, 2009). It would also be very helpful if you could identify points which might be contentious in the international discussion or areas where further work is needed that could be brought forward by the G20.

We are working within a very ambitious time schedule and will have to deliver an interim report by mid-January. It would therefore be very helpful if you could provide us with a brief paper by the end of this week.

We are looking forward to working with you.



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