



LETTER OF COMMENT NO. 7

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From: Shaun McGuire [mailto:shaunjmcguire@googlemail.com]
Sent: Tuesday, March 24, 2009 9:31 AM
To: Adam Van Eperen
Subject: Tell the IASB what you think

Dear Sir,

I on the whole agree with the suggestions outlined by the Tax Justice Network.

Mainly I object to the use of legal secrecy constructs for behavior which would not be tolerated if publicly known. This is the major challenge to the public economic good. In my humble opinion, this is the IASB's major 'PRINCIPLE' challenge not minor tweaking of rules.

Other failures are to blame for our current situation, being strategic failure of multiple regulators and the political law making institutions. After all this was just a massive debt boom.

Accounts should show economically relevant information concerning linked but unconsolidated entities. These entities may be linked by hidden & complex ownership structures which can create economic dependencies & realities beyond simple defined legal constructs . These may not all be captured by current reporting requirements when aided by legal & professional expertise looking to exploit any loopholes.

We should return to more principle based reporting with disclosure, transparency, economic substance over form, and integrity being pushed to fore. The IASB should be reviewing the role, suitability and objectivity of major firms in setting the complex rules of the game, perhaps with oversight by a smaller independent firms and academics such as Prem Sikka and more socially orientated experts.

Perhaps all major audit issues-relevant to the 'True & Fair View in accordance with' points discussed should be made public along with appropriate comment & conclusion.

Information which would show and highlight the economic true levels of leverage and economic risk an entity takes versus its capital base.

I also of the opinion a Principle based, Tax Regulation regime should be supported by the IASB. This would take the form of a General Anti Avoidance Principle or I believe now a Gantip. This would allow our Politicians to focus on strategic aims & objectives of taxation rather than detail which without this guidance will be left to lawyers and be exploited. Double dipping etc should be specifically unethical practice and professional bodies should act.

Regards
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