

# research and consultation update

Technical staff at ACCA respond to over 100 consultation documents throughout the year, from various international and regional policy makers and standard setters. While all of our responses impact on the decision-making process, highlighted below are just some recent responses to consultations on key issues aimed at developing the profession.

## consultation on the legislative framework for the regulation of alternative finance investment bonds (sukuk)

■ As part of the UK government's objective of enhancing the UK's competitiveness in financial services in general, and Islamic finance in particular, HM Treasury and the Financial Services Authority (FSA) issued this consultation paper on amending the regulatory framework for alternative finance investment bonds (AFIBs), or sukuk. The ACCA response noted that this was a positive and important step, as sukuk have been the driving force for Islamic finance globally, and many believe that their issuance in the UK has been thwarted to some extent by the lack of clarity in their classification under the existing UK regulatory regime.

While ACCA agreed with the rationale and main proposals in the discussion paper, there was no support for two definitions of an AFIB – one regulatory and one for tax purposes. ACCA suggested the adoption of a single statutory definition of AFIBs, including sukuk, which could be achieved imminently and appropriately through the use of the existing tax definition of an AFIB.

By thus providing a consistent and transparent mechanism for classifying sukuk, this may have a significant effect on facilitating their issuance, and therefore also provide a feasible alternative form of financing in the UK capital markets. ■

## recent publications

### **Directions for Corporate Governance**

*(Jill Solomon, January 2009)*

This paper summarises the content of two corporate governance symposia organised by the British Accounting Association Special Interest Group on Corporate Governance (BAASIGCG), setting them in the context of the existing body of corporate governance literature. The content of the presentations is then drawn on to establish the 'cutting edge' of corporate governance research, from both a practitioner and an academic perspective. This allows us to develop an informed agenda for future research in the corporate governance area. Specifically, the paper considers cutting-edge issues in corporate governance in relation to global convergence, risk, the European Union (EU), developing economies, institutional investors, audit, private equity, stakeholder accountability, and socially responsible investment (SRI).

This paper can be downloaded from [www.accaglobal.com/publicinterest/activities/library/governance/cg\\_pubs](http://www.accaglobal.com/publicinterest/activities/library/governance/cg_pubs)

### **Is the Green Economy Coming?**

*(Rachel Jackson, March 2009)*

Climate change is scientific fact and it is imperative, therefore, that collective and collaborative action is taken now. To have any chance of minimising the impact of climate change, moving to a low-carbon economy is key. A low carbon economy – one that relies very little on, and makes little use of, fossil fuels and energy sources with high greenhouse gas emissions – will increase our success in tackling the planet's climate predicament. Although much coordinated work still needs to be done to move to a low carbon economy, this paper discusses how governments around the world can actively seek to take the much-needed steps to tackle the 'climate crisis'.

This paper can be downloaded from [www.accaglobal.com/publicinterest/activities/library/sustainability/sus\\_pubs](http://www.accaglobal.com/publicinterest/activities/library/sustainability/sus_pubs)

## coming soon

### **Sustainable Pensions: Myth or Reality?**

*(Jill Solomon, Cardiff Business School)*

Trustees of pension funds in the UK face numerous challenges. In recent years, pensions regulation has increased dramatically, while at the same time the demand for focus on socially responsible investment has grown in popular thinking. ACCA's research is investigating how this drive for increased environmental, social and governance (ESG) awareness is really affecting investment, by exploring the perceptions of pension fund trustees towards their role in responsible investment in general, and climate change in particular. Collaborative project with the Economic and Social Research Council (ESRC) and the UK Social Investment Forum (UKSIF). Publication is expected in the third quarter of 2009.

## international technical matters

For further information on the latest technical matters from both a global and UK perspective please visit our websites:

### **technical activities**

[www.accaglobal.com/publicinterest/activities](http://www.accaglobal.com/publicinterest/activities)

### **research programme**

[www.accaglobal.com/research](http://www.accaglobal.com/research)

### **small business unit**

[www.accaglobal.com/smallbusiness](http://www.accaglobal.com/smallbusiness)

### **sustainability activities**

[www.accaglobal.com/sustainability](http://www.accaglobal.com/sustainability)

### **UK-specific activities**

[uk.accaglobal.com/uk/members/technical/](http://uk.accaglobal.com/uk/members/technical/)