

International Federation of Accountants
545 Fifth Avenue
14th Floor,
New York, NY 10017

June 30, 2008

Dear Sirs,

Consultation Paper – Translation of IFAC Standards

PricewaterhouseCoopers is pleased to participate in this consultation. This response summarises the views of our member firms. PricewaterhouseCoopers refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We support the objectives of the consultation, and the general objective of achieving one quality translation of the standards per language. While we agree that achieving one quality translation per language would be an important step in the process of achieving convergence in practice and that wherever possible IFAC should endeavour to achieve one official quality, timely, and cost effective translation, we believe that legal and language differences should be taken into account in certain cases which we describe further below.

In this letter, we present our responses to the questions posed in the consultation document, and we have offered revisions to the proposed criteria for translation bodies and the translation process itself. Most of our comments arise out of two broad concerns: ensuring that the translated standards are widely accepted, and managing the translation process in a cost-effective manner.

Ensuring Wide Acceptance

The process as outlined in the consultation is one with which we broadly agree but with some suggested changes in the specific criteria and the elements of the translation process. In particular we consider that the process should encourage collaboration among interested parties in different countries or language areas that speak the same language to help facilitate wide acceptance of the translation.

As the proposed "translating body" could by definition be an individual member, associate or other interested party or group thereof, it is possible that multiple organizations could be represented. Some proposed translating bodies may wish to have multiple individuals serve as "principal translator". In such cases IFAC should work with dual or multiple principal translators, possibly in the form of working groups, so long as IFAC is convinced that the existence of multiple principal translators will not be a barrier to resolving issues that arise in the translation process.

In other instances where different countries or language areas share a common language but where there are colloquial nuances and/or differences in grammar and vocabulary IFAC should be prepared to recognize the problem of differences in a single language as spoken in different countries or language areas. For instance we understand the difference between Portuguese used in Europe and that used in Brazil might require that different translations be issued for each version of the language. Different translations may also be required to deal with the various dialects and characters in Chinese. We also believe there may be particular problems associated with French as it is spoken in Europe and that which is used in Canada, a bilingual country with laws dealing with its use of language. It is also possible that there could be other similar instances. In these circumstances, those countries should be deemed to have different languages, and separate translations should be pursued.

The consultation presupposes that countries sharing a common language should cooperate on a single translation, however this may not be possible to accomplish in practice. Where this is the case IFAC should instead of or in addition to translating bodies, coordinate one official translation per language and, if necessary, in different countries with the same language and be endowed with authority and ownership of the translation.

It is apparent from the consultation that IFAC's aim is that the proposed "translating body" should come forward on a voluntary basis to support IFAC's goals by taking on the responsibility of the translation and that willing cooperation is the key to the process. However, there should also be provisions in place in the eventuality that there are no such volunteers in any given language. In such instances IFAC should have provisions for an alternative solution. One such solution could be that the largest member body in the relevant country or language area should become part of the process, depending on the particular IFAC/member body relationship. We support the concept of an official translation and that "the translating body accepts that the translation is conducted on behalf of IFAC".

When managing the translation process, it is important to emphasize that the objective is to translate the standard, not revise it. Accordingly, the process of recognizing the proposed translating body should include an affirmation on behalf of the proposed participants that the objective is a faithful translation of the standards as adopted. Furthermore, the translation process should include elements of due process including a public exposure period.

Translation standards distinguish between translation (by a professional translator), revision (by a senior professional translator) and review (by specialists in the field). We would

encourage IFAC to more fully describe the translation process and particularly clearly define the role of the proposed review committee and its composition. The description should include information on the number of members proposed for each language which perhaps should include a range of members with appropriate professional experience such as financial statement preparers, investors, representatives of accounting firms, academics, actuaries and representatives of banks or other financial institutions, but bearing in mind that the group should not be so large as to make it difficult to provide a translation in a timely manner We would also encourage IFAC to clearly define whether IFAC would have the authority to revise or update a translation (for example, when standards are updated), and that IFAC would ultimately take final responsibility and ownership of the translation process.

As well as clearly defining the role of IFAC staff, the role of the relevant standard-setting body should also be considered and defined. An example of where this may be especially important is when, during the translation process, nuances in the English version are exposed to greater scrutiny and debate such as potential obscurities or ambiguities in the standards which the detailed process of translation will bring to the surface. It should be recognized that to the extent translations uncover substantive queries as to the intended meaning of the English original these may be referred to the relevant standard-setting body as opposed to IFAC staff.

Cost Effective Translation

We would observe that the consultation does not indicate the objectives and expectations of outcomes in the translation process; nor does it call for an indication of costs or how they will be managed. We believe that some revision to the translation process would give a better indication of the realistic objectives and outcomes, and that further details and explanations would help IFAC and the translating body to manage the translation process on a cost-effective basis. Among the proposed revisions are:

- The involvement of IFAC staff in the separate phases of the proposed translation process should be described in somewhat more detail. For example, we would expect that reaching agreement with the appropriate IFAC representative as to the key terms and their translation would occur prior to moving forward with the translation process. IFAC staff should initiate the translation process with the review committee before the process begins and discuss and agree on key issues and terminology.
- The proposed translation process should state the criteria that IFAC staff would use when electing to perform a quality control review of the translation, and should describe in general terms how that process would be undertaken.
- Past performance by a proposed translating body should be a key indicator of whether the translating body has the capability to produce a quality translation on a timely basis.

Specific Comments on the Consultation Paper 'Translation of IFAC Standards'

Advantages of One Quality Translation per Language

The goal that "practitioners, legislators, educators, students and all other interested groups in non-English speaking countries should have access to IFAC standards in their own language" is possibly problematic. We are of the opinion that IFAC does not intend to ensure that there should be access by everyone to a version of the standards written in their own language in those countries or language areas where English is not the native language but is nevertheless commonly used in business, education, regulation and legislation, for example, in India. A further issue is how "non-English speaking country" is defined. A more practical goal would be "that non-English speaking practitioners, legislators, regulators, educators, students and members of other interested groups should have access to current IFAC standards in a language commonly used for business purposes in their country of residence".

Developing One Quality Translation per Language: Proposed Requirements and Process

Existing Translation Arrangements

A. Are the criteria in paragraph 4 complete? Will they assist IFAC in meeting the objectives set out in paragraph 2? If not, how should they be expanded or amended?

In the appendix to this letter, we have proposed revisions to the criteria that we believe would help IFAC meet the objective set out in paragraph 2. We believe these revisions represent criteria that were implicit but should be stated explicitly.

B. Are any of the criteria too limiting and, as a result, may affect the successful implementation of IFAC's proposal to achieve one quality translation of the standards per language? For example:

- **Will members, associates and other interested parties work together to achieve one quality translation per language?**
- **Will they be willing to contribute their human and financial [should this read financial?] resources to develop a single translation that will benefit all professional accountants that speak that language?**
- **Will they be able to maintain the translation?**

In the appendix to this letter, we have offered some revisions to the criteria. We believe these revisions represent criteria that were implicit but should be stated explicitly.

We do believe that the translating body should not be limited to a single principal translator. However, since the role of principal translator is put forward in the proposed process, we have addressed this point there. Otherwise, we do not believe that the criteria are too limiting.

Translation Process

C. Are the roles of IFAC staff, the principal translator and the review committee members appropriately defined?

In the appendix to this letter, we have offered some revision to the roles of the various participants. We believe that many of these points were implicit and should be made explicit.

D. How should members, associates and other interested parties that may benefit from using the standards in the language of translation (see paragraph 4(a) above) be involved in the translation process?

In the appendix to this letter, we have offered some revision that will help interested parties become involved in the translation process. In particular, we believe that the expected participation of certain parties in the review committee should be spelled out and that the process should call for a period of public exposure.

E. Do you believe that the proposed process is effective and efficient and will produce quality translations? Based on the experiences of your organization, how can it be enhanced?

In the appendix to this letter, we have offered some revision to the process as proposed. The process can be made more efficient by providing more specific descriptions of the role of IFAC staff and by stating criteria that would cause IFAC staff to conduct a quality review.

Limiting Translation of the Same Standards into the Same Language

F. Do you agree with the proposal in paragraph 9 and the circumstances in which it is to be applied? What other exceptional circumstances may exist?

We generally agree with the proposed process in paragraph 9 and would expect that the circumstances under which a separate translation is required because of specific terminology in local law or regulation would be limited.

Other exceptional circumstances may exist in certain instances where the language in two different countries might be nominally the same, but upon further investigation differences in vocabulary, pronunciation and grammar, when preparing technical documents, are significant enough to warrant treating the two variants as separate languages with separate translations. For instance, differences between Portuguese used in Europe and that used in Brazil, different dialects and characters used in Chinese, and differences between French



used in Canada and that used in Europe, might all meet this test; it is also possible that there are others.

G. How should the translation which has been amended for different terminology be described? Can IFAC have more than one official translation of the standards into the same language?

In circumstances where such an amended translation is prepared, we believe that the alternative translation should be considered authoritative only in the country or countries that have the law or regulation that gives rise to the need for the alternative translation. That alternative translation should be accompanied by a legend or other words to this effect:

“This official [language] translation has been modified for use and is authoritative only in [country].”

H. Kindly provide any further comments that you may have on the proposals in this paper?

We have no other comments to offer.

We would be happy to discuss our comments with you. If you have any questions regarding this letter, please contact Kenneth R. Chatelain at (202) 312-7740.

Sincerely,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

Appendix

This appendix sets forth the text of the proposed criteria for selecting a translating body and the proposed translation process, with marked revisions that reflect the comments we have on the proposal. Paragraph numbering as found in the consultation document has been retained.

Criteria to Become a Translating Body

4. IFAC intends to invite its members, associates and other parties that are interested in translating the standards to submit proposals. A proposal can be submitted by an individual member, associate or other interested party; or groups thereof (hereafter “translating body”). To achieve the objectives set out in paragraph 2 above, it is proposed that IFAC accept a proposal only when the following criteria are met:

(a) The translating body can demonstrate that it will involve in the translation process (see paragraph 6 below) other members, associates and interested parties that may benefit from using the standards in the language of translation. Past performance should be a key indicator. The translating body should affirm that the objective of the translation will be to produce a faithful representation of the original standard.

(b) The translating body plans to complete the initial translation of the standards within a reasonable period of time and to maintain the translated standards by translating new or revised standards for a specified period of time (e.g., a minimum of three years).

(c) The translating body has sufficient human and financial resources to conduct the initial translation within the specified period of time, and to maintain it for a specified period of time. Resources may be contributed by other members, associates, or interested parties that may benefit from using the standards in the language of translation.

(d) The translating body accepts that the translation is conducted on behalf of IFAC and that the copyright of the translated standards therefore has to be transferred to IFAC. (See also paragraphs 10-11) IFAC may, however, permit the translating body to provide the publication (in print or electronic format) to others translating body at a price intended to recover the cost of the translation and reproduction.

(e) The translating body will comply with the translation process set out in paragraph 6 below.

Translation Process

6. To achieve quality translations, it is proposed that IFAC staff and the translating body implement the translation process set out below:

(a) IFAC staff should coordinate the translation of the standards, playing an active role in ensuring that the translation process is followed. The role of IFAC staff to include:

- (i) Review and comment on description of organization of the translating body. To take note of issues that could impact the success of the translation effort (including multiple principal translators) and discuss with principal translator plans for addressing issues.
- (ii) Review process and timetable along with resource commitments and discuss items of concern with principal translator.
- (iii) Monitor process against timetable by reviewing minutes, attending meetings or visiting with principal translator as needed.
- (iv) Ensure that key steps in translation process are complete.

(b) The translation process should involve a principal translator (typically an employee of the translating body), a review committee (comprising members who typically volunteer their time) and one or more translators (typically paid by the translating body). The principal translator, review committee members and translators are appointed by the translating body in consultation with IFAC staff.

- (i) The translation should be led by the principal translator, who would also be the chair of the review committee. He/she should be a native speaker of the language of translation and have an excellent knowledge of English. He/she should have a proven knowledge of and expertise in the standards being translated. He/she should be responsible for coordinating the involvement of other members, associates and other interested parties and the translation of the standards, including the exchange of files and comments between the review committee members and the translators. IFAC staff should work primarily with the principal translator.
- (ii) In some instances it may be appropriate to have dual or multiple principal translators (for different countries or language areas with the same language). This is acceptable if IFAC staff is convinced that the existence of multiple principal translators will not be a barrier to resolving issues that arise in the translation process.
- (iii) The translators should be either professional translators or accountants, with experience in translating economic and financial texts. They should be responsible for translating the standards in accordance with the principal translator's requirements and IFAC Policy and also translation standards and best practices.

(c) The process of translating the standards should produce a faithful translation. It should be implemented in the following phases: translation of key terms, words and explanations; translation of standards; and review and approval of translated standards.

- (i) The review committee should agree on the translation of the list of key terms, words and explanations developed by the relevant IFAC standard setting board.

- Translation of grammatical nuances and terms fundamental to a satisfactory understanding or that may affect the interpretation of a standard should be discussed and agreed. Key terms include individual terms and repetitive sentences that are to be used consistently during translation. In most instances this should be complete before commencing on the full text.
- (ii) The translators should use the agreed list of key terms in translating the full text of the standards. The translators will be required to use translation memory software recommended by IFAC to enhance the consistent translation and maintenance of key terms.
 - (iii) The translated standards should be reviewed by the members of the review committee. Their review should focus on technical accuracy, consistent use of key terms, and clarity of the text. Their comments should be sent to the principal translator, who either forwards them to the translators, or decides that further discussion amongst the members is necessary.
 - (iv) The principal translator(s) should issue the proposed translation for public comment and pointing out and asking for comment on whether the translation is faithful. Substantive comments should be addressed when producing an exposed version.
 - (v) The translation should be published by the translating body when all corrections have been approved by the principal translator. IFAC staff, at its discretion, may elect to perform a quality control review of the translation. In this case, the translation should be published by the translating body after the IFAC review.
 - (vi) When determining whether to perform a quality control review of the translation, the IFAC staff should weigh and consider the following criteria: