



Dear AOSSG members,

As the Malaysian tenure as Chair of AOSSG comes to an end, I feel it appropriate to summarise some of our key activities that have taken place since November 2009.

First of all, I would like to once again thank the AOSSG members present in Kuala Lumpur last year for electing Malaysia as the First Chair of the AOSSG. From the feedback received, it was perceived as being a good first meeting and an auspicious start to the new organisation.

Since then we have focused our attention in a few areas, consistent with our agreed objectives.

To promote the adoption of, and convergence with, International Financial Reporting Standards (IFRSs) by jurisdiction in the region

We have participated in a few forums such as the IFRS policy forum hosted by Singapore in May 2010, the National Standard Setters meeting in Seoul in April 2010 and Rome in September 2010 and also the various IASB hearings in this region on IASB exposure drafts.

To promote consistent application of IFRSs by jurisdiction in the region

We believe that the regular participation in Working Groups and more formal communication between members has helped this process along.

In addition, we have produced a discussion paper on the application of IFRS on Islamic Finance to help understand better how some key players in Islamic Finance are applying IFRS to such businesses.

We are also sharing common concerns of members such as the application of the new Revenue Standard on long term projects such as Real Estate.

Finally, Korea is producing a survey of how member countries have set themselves up to implement IFRS in their local jurisdiction.

We look forward to discussing more ideas at the Second AOSSG meeting in Tokyo.

To coordinate input from the region to the technical activities of the International Accounting Standards Board (IASB)

This is a key focus of AOSSG. The AOSSG started with only four technical working groups, namely, fair value measurement, financial instruments, financial statement presentation and revenue. At the first meeting we produced a communique explaining our position.

Subsequent to the First Meeting of the AOSSG, an additional five technical projects were added to that list, i.e. consolidation, leases, insurance contracts, emission trading schemes and financial reporting relating to Islamic Finance.

A number of meetings both physical and virtual have taken place and we will be sharing the results of all our efforts at the Second AOSSG meeting in Tokyo.

We have also recently in June, issued a letter to IASB expressing our concern on Phase 2 of IFRS 9 which we feel may not be the correct solution to the issue of impairment. A copy of that letter was previously circulated to all members.

To cooperate with governments and regulators and other regional and international organisations to improve the quality of financial reporting in the region

This is an ongoing initiative. We did participate in the IFRS policy forum in Singapore in May 2010 and also appeared in a few publications to explain our role. We look forward to playing more of a role in future years with regional regulators.

Other matters

From the day of its inception until now, the AOSSG membership has grown from 16 to 23. This shows an increasing interest by countries who believe that with a bigger grouping of views from this region, it could have a stronger voice in the participation of IASB's technical activities.

In addition, as the Chair of the AOSSG, we have visited Thailand, Indonesia, Philippines and Brunei to promote the benefits of AOSSG to these jurisdictions as well as hosted delegations from Vietnam and Nigeria. Subsequent to these meetings, Philippines and Brunei have agreed to be part of this Group with Vietnam considering it as well. We are also in discussions with the DFSA in the UAE about membership.

Concluding remarks

In accomplishing these objectives, I would like to express my sincere thanks to the respective Working Group lead and co-lead countries who have successfully chaired and managed the discussions on the respective topics to bring it to a conclusion.

I would like to also thank the incoming Chair, Japan and the Founding members for all their support and to all their members for their comments and participation so far.

On a personal note, it has been my honour to be of service to countries in the Asian Oceanian region and would like to apologise for any mistakes or shortcomings along the way. I believe we have started this journey together on the correct footing and look forward to a stronger more vocal and cohesive organisation in the years to come.

Yours sincerely,



Mohammad Faiz Azmi
First Chairman
AOSSG