

# Outline and Activities of AOSSG

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## 1 Introduction

This paper outlines the nature and activities of the Asian-Oceanian Standard-Setters Group (AOSSG), a body consisting of accounting standard-setters in the region, and how it may evolve in the future to meet its objectives. This paper may be of interest to various stakeholders both inside and outside the AOSSG membership and might be referenced in a number of ways including the following:

- For AOSSG members, to stimulate debate regarding how to advance the group's activities in the future;
- For potential new members and observers, to properly understand the AOSSG's operations before participating in the group and to consider what type of contribution they might make to AOSSG activities;
- For the IASB, the IFRS Interpretation Committee, and the IFRS Foundation Trustees, to better understand how the AOSSG can best contribute to the development of global financial reporting standards;
- For other regional bodies or national standards setters in other regions, to better understand whether and how to collaborate with each other; and
- For stakeholders in each jurisdiction in the region, to better understand why and how national standards setters could be working with the AOSSG.

## 2 Who we are - outline of the AOSSG

### Establishment of the AOSSG

1. The International Financial Reporting Standards (IFRSs) are increasingly accepted in this region, and many Asia-Oceania jurisdictions have either adopted IFRSs, are considering adoption of IFRSs or making progress towards convergence with IFRSs. In the past decade, Europe and the US have played central roles in global accounting standard-setting. Given the growing importance of the Asia-Oceania region, stakeholders have increasingly suggested that accounting standard-setters in the region should play a more prominent role in global standard-setting, to maintain the momentum towards global standards and support the credibility and responsiveness of the IASB. With that background, the AOSSG, a group of recognised accounting standard-setters from jurisdictions in the Asia-Oceania region, was established in 2009.
2. Jurisdictions of the AOSSG members cover a large part of the Asia-Oceania region and are highlighted in blue in the map below.

*Map 1: Jurisdictions of the AOSSG members*



3. Since inception, the AOSSG's membership has quickly grown from 16 to 25, which shows the heightened interest in the group.

*Table 1: List of the AOSSG members<sup>1</sup>*

1	Accounting Standards Board of Japan (ASBJ)
2	Accounting Standards Board of Nepal
3	Accounting Standards Council of Singapore
4	Association of Syrian Certified Accountants
5	Australian Accounting Standards Board
6	China Accounting Standards Committee
7	Dubai Financial Services Authority
8	New Zealand Accounting Standards Board
9	Financial Reporting Standards Council of Philippines
10	Hong Kong Institute of Certified Public Accountants (HKICPA)
11	Institute of Chartered Accountants of Pakistan
12	Iraqi Union of Accountants and Auditors
13	Korea Accounting Standards Board
14	Malaysian Accounting Standards Board
15	Ministry of Finance of Brunei Darussalam
16	Ministry of Finance of Vietnam
17	Mongolian Institute of Certified Public Accountants
18	National Accounting Council of Cambodia
19	National Association of Accountants and Auditors of Uzbekistan
20	Saudi Organisation for Certified Public Accountants
21	The Chamber of Auditors of the Republic of Kazakhstan
22	The Committee for the Registry of Auditors and Accountants of Macao SAR
23	The Financial Accounting Standards Board – Indonesian Institute of Accountants
24	The Federation of Accounting Professions of Thailand
25	The Institute of Chartered Accountants of India
26	The Institute of Chartered Accountants of Sri Lanka

<sup>1</sup> Members in the table are listed in an alphabetical order.

## Objectives of the AOSSG

4. As stipulated in its Memorandum of Understanding, the AOSSG has the following four objectives:
  - (a) Promoting the adoption of, and convergence with, the IFRSs by jurisdictions in the region  

The AOSSG aims to promote the adoption of, and convergence with, the IFRSs by jurisdictions in the region. The AOSSG does not endorse IFRSs for the region—AOSSG members may individually have that role in respect of their jurisdictions.
  - (b) Promoting consistent application of the IFRSs by jurisdictions in the region  

The AOSSG aims to promote consistent application of the IFRSs in resolving common accounting issues to enhance transparency of financial markets in the region.
  - (c) Coordinating input from the region to the technical activities of the IASB  

The AOSSG aims, in the public interest of the region, to play an active role in technical activities of the IASB and contribute to a single set of high quality global financial reporting standards.
  - (d) Cooperating with governments, regulators and other regional and international organisations to improve the quality of financial reporting in the region  

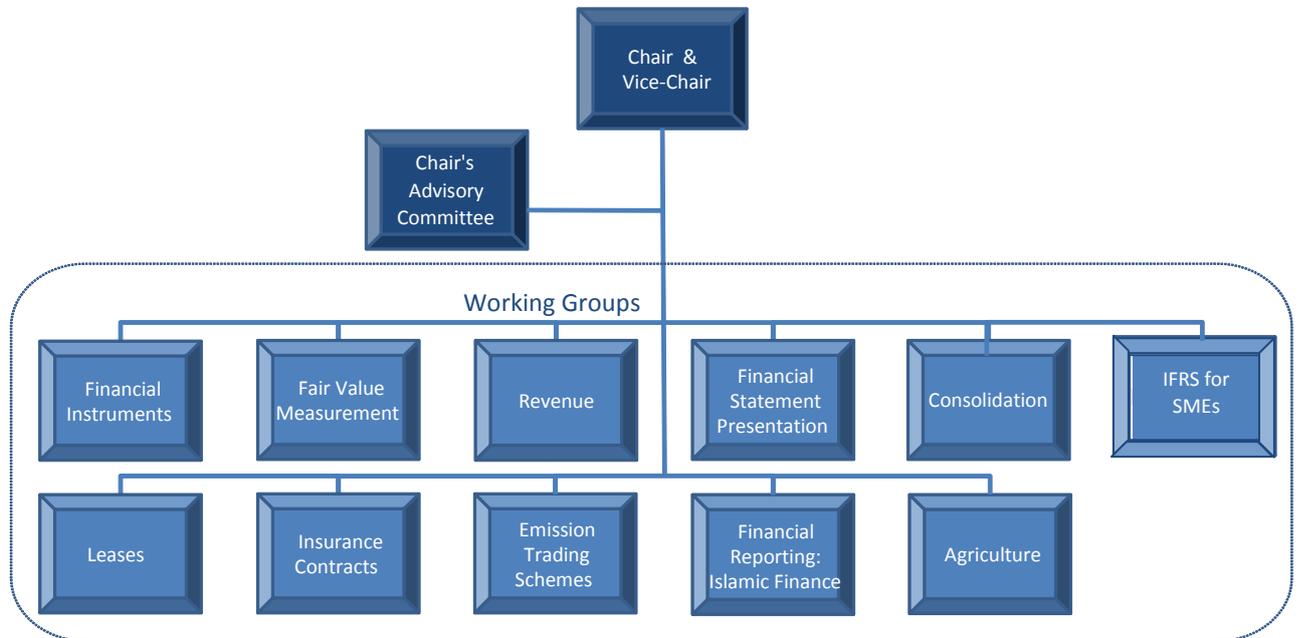
The AOSSG aims to establish relationships with governments, regulators, and other regional and international organisations to improve accounting practices, enhance the quality of financial reporting and facilitate cross-border trade, investments, and governance in the region.

## Organisational structure and members

5. The AOSSG has an elected Chair and Vice-Chair. It operates through Working Groups together with a Chair's Advisory Committee (see figure 1 below).
6. The Chair and Vice-Chair play key roles in operating the organisation. The Chair assumes the secretariat role of the AOSSG for a designated period and is responsible for the annual and other conferences, as well as for coordinating topical discussions and activities among the AOSSG members.
7. Working Groups have been established to help manage AOSSG's contribution to the IASB. The existing AOSSG technical Working Groups are: (1) Financial Instruments; (2) Fair Value Measurement; (3) Revenue; (4) Financial Statement Presentation; (5) Consolidation; (6) Leases; (7) Insurance Contracts; (8) Emission Trading Schemes; (9) Financial Reporting relating to Islamic Finance; (10) Agriculture; and (11) IFRS for SMEs.
8. A Chair's Advisory Committee was established to support organisational operations conducted by Chair and Vice-Chair and to deal with activities that the organisation's Working Groups do

not cover. The Committee consists of the Chair, the Vice-Chair and other members appointed by the Chair and the Vice-Chair.

*Figure 1: Organisational Structure of the AOSSG*



### **3 Role of the AOSSG**

#### **Communicating regional views**

9. The AOSSG communicates with the IASB (primarily), the IFRS Interpretations Committee, IFRS Foundation Trustees, IFRS Advisory Council and IFRS Foundation Monitoring Board
10. Working Groups monitor the ongoing work of the IASB and identify conceptual and practical issues for consideration by the AOSSG members. The members also facilitate the AOSSG's contribution (including submitting ideas and recommendations) to the IASB's Exposure Drafts and other consultations. Working Groups prepare issues papers, and present them to the AOSSG, and establish contacts among relevant stakeholders and within the IASB. In addition, the AOSSG meets face-to-face formally with the IASB once a year and informally at least twice a year to discuss AOSSG's views in relation to IASB technical and other activities, as well as AOSSG initiatives.
11. The Chair's Advisory Committee or the Secretariat, may be called upon by the Chair and Vice-Chair to prepare draft responses for AOSSG's consideration if consultative documents are published, or issues arise, when they are not covered by the Working Groups.
12. When commenting on IASB documents, AOSSG's views reflect the collective views of AOSSG members without interfering with the authority of member standard setters regarding whether and how to apply the standards proposed or published by the IASB. If AOSSG members hold differing views, those differing views are reflected within AOSSG comment letters. Individual member standard-setters may also choose to make separate submissions that are consistent or otherwise with aspects of the AOSSG comments. The intention of the AOSSG is to enhance the input to the IASB from the Asia-Oceania region and not to prevent the IASB from receiving the variety of views that individual member standard-setters may hold.

#### **Sharing IFRS knowledge and information**

13. The AOSSG is exploring how it can effectively deepen the understanding of IASB's proposals in the region as well as better identify implementation issues in the region. To this end, the AOSSG has participated in educational activities. The region has jurisdictions with different levels of IFRS implementation – some jurisdictions have already adopted IFRSs while others are in the process of adopting or converging with IFRSs.
14. Through the education activities, members try to build capacity through sharing knowledge and experiences, including through jurisdictions with particular expertise assisting other jurisdictions.

#### **Research activities**

15. The AOSSG conducts research and publishes its findings. For example, the AOSSG published a research paper on financial reporting relating to Islamic finance in 2010. The

purpose of the research paper is to examine and explain issues in applying the IFRSs to Islamic financial transactions in a more holistic manner. This paper has been referenced by the IASB in its deliberations on current topics. The AOSSG believes that this publication is a model for its future activities and plans that more research activities be undertaken in this proactive manner.

16. In selecting research topics, the AOSSG is mindful of the IASB's needs and the needs of AOSSG members.

### **Outreach and post-implementation reviews**

17. The AOSSG is currently developing its capacity to assist the IASB in its outreach and post-implementation reviews as a region. Such reviews assist the IASB to identify areas that have been understood differently from the manner originally intended or areas where standards are regarded as insufficient in promoting sound financial reporting.

### **Communicating with stakeholders**

18. The AOSSG encourages members to build relationships with their jurisdictional stakeholders. The AOSSG and its members communicate with such parties by a number of means including sharing challenges and experiences at the IFRS Regional Policy Forum. Such communication and collaborative undertakings are particularly important, since standard-setting processes often involve legal or regulatory due-process before standards are endorsed, while regulators usually turn to the expertise of standard-setters on technical accounting matters.
19. The AOSSG uses its website ([www.aossq.org](http://www.aossq.org)) to enable effective and efficient communication among its members and to raise awareness of the AOSSG among other stakeholders. The AOSSG regularly updates information on the website on a wide range of accounting standard-setting issues relevant to entities in the Asia-Oceania region, including activities of the AOSSG Working Groups and AOSSG comment letters to the IASB.

### **Cooperating with other bodies**

20. The AOSSG interacts with bodies with a role associated with standard-setting, including the International Forum of Accounting Standard-Setters (IFASS), European Financial Reporting Group (EFRAG), Group of Latin-American Accounting Standard-Setters (GLASS), Pan-African Federation of Accountants (PAFA), with the objective of discussing regional accounting standard issues, sharing experiences on the adoption, convergence and application of IFRSs, as well as, providing input to the IASB's standard-setting process.