

## **AOSSG Membership Due Process**

### **1 Summary of steps to membership**

- 1.1 In brief, an organisation needs to satisfy three conditions to be eligible for AOSSG membership:
- (a) the jurisdiction is part of Asia or Oceania (refer paragraph 2.1 of this protocol);
  - (b) the organisation is, or represents, the national standard-setter for the jurisdiction (refer paragraphs 2.3(a) of this protocol). A due process guideline is provided in paragraphs 3.1 to 3.3 of this protocol; and
  - (c) the organisation is prepared to sign the AOSSG Memorandum of Understanding (MoU) and, accordingly, ascribe to the objectives in paragraphs 1 to 4 of the MoU (refer paragraph 2.2 of this protocol).
- 1.2 Once an organisation's eligibility is established, an affirmative vote of two-thirds of the members present at an annual AOSSG meeting is required to make the organisation a member (refer paragraph 2.4 of this protocol).
- 1.3 Until the vote at an annual meeting, a prospective member is welcome to attend interim AOSSG meetings.

### **2 Memorandum of Understanding**

- 2.1 When the formation of the AOSSG was discussed by 12 national standard-setters in Beijing in April 2009, the benchmark discussed for identifying jurisdictions in the region was those listed by United Nations as being within Asia or Oceania.
- 2.2 The Objectives in the MoU are:
- \* Promoting the adoption of, and convergence with, IFRSs by jurisdictions in the region [paragraph 1];
  - \* Promoting consistent application of IFRSs by jurisdictions in the region [paragraph 2];
  - \* Coordinating input from the region to the technical activities of the International Accounting Standards Board (IASB) [paragraph 3]; and
  - \* Cooperating with governments and regulators and other regional and international organisations to improve the quality of financial reporting in the region [paragraph 4].
- 2.3 Paragraph 9 of the AOSSG Memorandum of Understanding (MoU) notes the following.
- (a) Membership of the AOSSG is open to all recognised accounting standard-setters of countries or jurisdictions in the Asian-Oceanian region.
  - (b) An accounting standard-setter that seeks to be a member of the AOSSG shall write to the Secretariat and its membership is confirmed or otherwise at a meeting of AOSSG members. The membership shall be valid with the applicant's signature to the MoU.

Once signed, membership will be valid regardless of attending the subsequent Annual Meeting of the AOSSG.

- (c) A member who no longer meets the membership criteria as set out in AOSSG Membership Due Process shall be automatically withdrawn from the membership; and a member who wishes to withdraw its membership shall write to inform the Secretariat.
- (d) The Secretariat shall inform all members of the AOSSG expeditiously about membership matters.

2.4 Paragraph 6(c) of the AOSSG MoU notes “Any resolution at a meeting of the AOSSG shall be decided by simple majority of members present and voting, except that of changing the Memorandum of Understanding and confirming new membership which shall require the agreement of two thirds of the members present at the Annual meeting and voting.”

### **3 Identifying the national standard-setter**

3.1 In most cases, identifying the accounting standard-setter is straight-forward. However, in some cases, those who apply to represent a particular accounting standard-setter may not immediately be able to be identified as being from the appropriate organisation.

3.2 It is important to undertake due diligence on identifying the accounting standard-setter to minimise the risk that the AOSSG becomes involved in debates between potentially rival groups who claim to be the legitimate representatives of standard-setting in a particular jurisdiction.

3.3 The following due diligence can be used in relation to a case where the identity of the accounting standard-setter is not clear:

- (a) seek assurances / evidence from the applicant that they represent the accounting standard-setter;
- (b) seek the advice of existing AOSSG members who may have knowledge of the jurisdiction concerned;
- (c) search trusted websites for background information;
- (d) consult the Secretariat (currently the Canadian Institute Chartered Accountants) of the International Forum of Accounting Standard Setters (IFASS – formerly known as National Standard Setters) about the jurisdiction; and
- (e) consult contacts at relevant government agencies, such as the Australian Department of Foreign Affairs and Trade.