



To:	AOSSG members	Date:	7 November 2013
From:	AOSSG COEDC Working Party	Agenda Item:	4.1
Subject:	Building regional capacity in the region	File:	

Action

Receive an update on the progress of the AOSSG's initiative in building regional capacity in the region through the establishment of a pilot IFRS Centre of Excellence in Nepal.

Attachments:

Agenda paper 4.2 – Report of the first AOSSG Train-the-Trainer Program

Agenda paper 4.3 – Report of Participants' Feedback on the first Train-the-Trainer

Overview

The purpose of establishing an IFRS Centre of Excellence (IFRS CoE) is to help in the development of the capacity of AOSSG's members that can be characterised as developing jurisdictions to cope with introducing and applying IFRS. This is with a view to promoting consistent application of global standards in the Asia-Oceania region.

The Accounting Standards Board of Nepal (Nepal ASB), a member of the AOSSG, had identified a need for assistance in capacity building associated with standard-setting and the adoption/application of IFRS. At the 2012 Annual AOSSG Meeting, AOSSG members agreed to establish a pilot IFRS CoE in Nepal and established a Working Party of 11 AOSSG members, including the Nepal ASB, to provide advice on the establishment of the IFRS CoE in Nepal. The Working Party, and separately, the Chair of the AOSSG and the Chairman of the Nepal ASB, have met via teleconference every month to discuss the progress of the IFRS CoE, including the effectiveness of the initiatives, review the operational processes and to identify issues of concern.

The IFRS CoE in Nepal will belong to the Nepal ASB and not to the AOSSG. The AOSSG's objective is to help in the building of the Nepal ASB's capacity in standard-setting rather than directly assisting in the adoption of IFRS, which remains the prime responsibility of the Nepal ASB. It is intended that building domestic standard-setting capacity will facilitate adoption of IFRS.

Progress of the pilot IFRS CoE in Nepal

The table below outlines the progress of the Working Party's first initiatives of the IFRS CoE.

Initiatives	Objective	Progress
Review of the Nepal ASB's standard-setting processes	To identify the relevant standard-setting areas in which improvements could be suggested (based on the experiences of other AOSSG members and the IFASS <i>Model for National Standard-Setters</i> ¹) and which could benefit from funding assistance.	<p>The review of the Nepal ASB's standard-setting processes was completed in April 2013.</p> <p>A draft report that includes recommendations for the Nepal ASB to consider for the development of its standard-setting processes is being reviewed by the Working Party members.</p>
IFRS Train-the-Trainer (TTT)	To train Nepal ASB members and staff, and selected other people who will provide training on IFRS. This will be achieved over a number of concentrated TTT sessions (probably four sessions), complemented by remote assistance (if necessary).	<p>A pilot TTT session held in Kathmandu involving seven trainers contributed by Australia, India, Korea and Malaysia was completed in June 2013. Agenda papers 4.2 and 4.3 provide details of the pilot TTT session, including AOSSG trainers' and Nepali participant-trainers' feedback.</p> <p>The next TTT sessions will take place in 2014.</p>

Further initiatives could be developed at a later stage upon the completion of the first two initiatives above.

1 IFASS is a group of accounting standard-setters that meet regularly to share and discuss IFRS issues and experiences. The *Model for NSS* was developed through the IFASS to provide a basis for a NSS to maximise its contribution to the quality of general purpose financial reporting, particularly through participation in the development of high-quality global accounting standards issued by the International Accounting Standards Board (IASB). This is consistent with the public interest role of a NSS (and the IASB) that is aimed at serving users of financial reports in their economic decision-making. This Model could be used as a basis for improving or setting up standard-setting capacity through a NSS in a way that suits its mandate, legal, institutional and economic environment to act in the public interest.