

Asian-Oceanian Standard-Setters Group (AOSSG)

- a significant force in applying IFRS
in the Asian and Oceanian region

CAC: Australia, China, Hong Kong, India, Japan, Korea,
Malaysia and Singapore

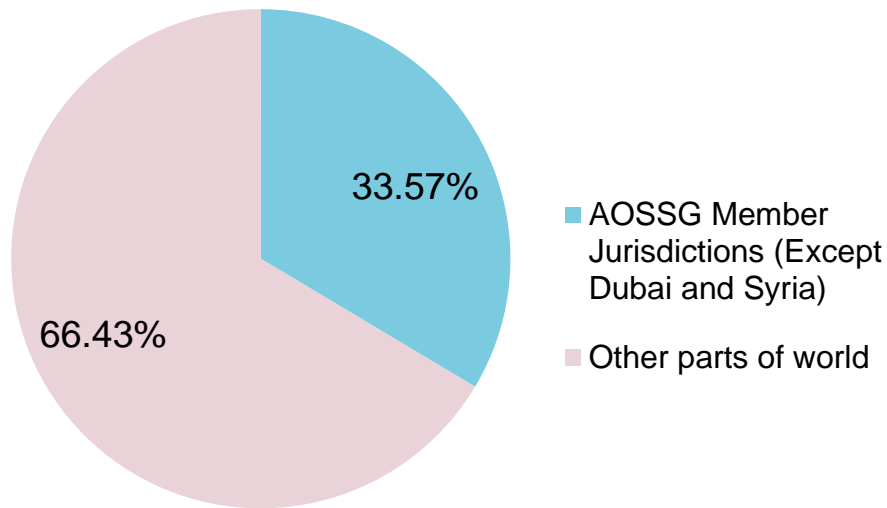
Trustees Meeting in Hongkong, January 2018

Contents

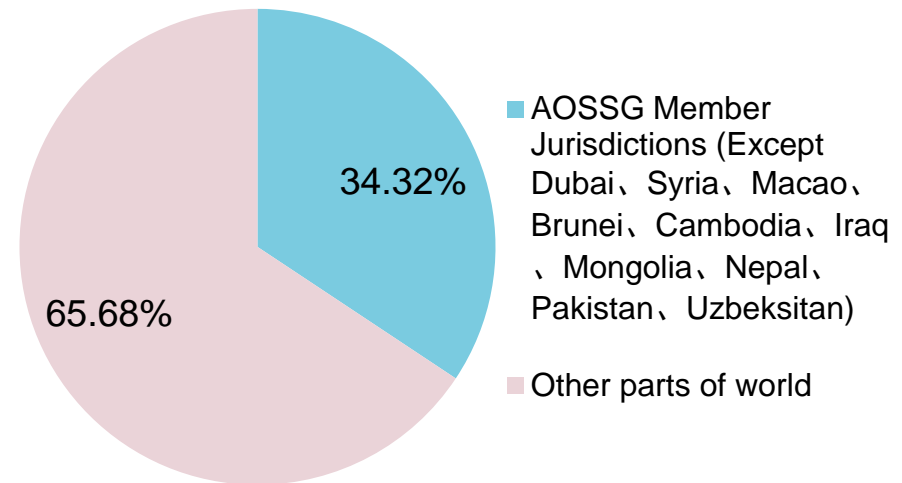
- ▶ Introduction to AOSSG
- ▶ Update of the AOSSG's recent activities
- ▶ Future strategy
 - Working with Trustees and IASB

► Influence of AOSSG Member jurisdictions

2016 GDP Percentage

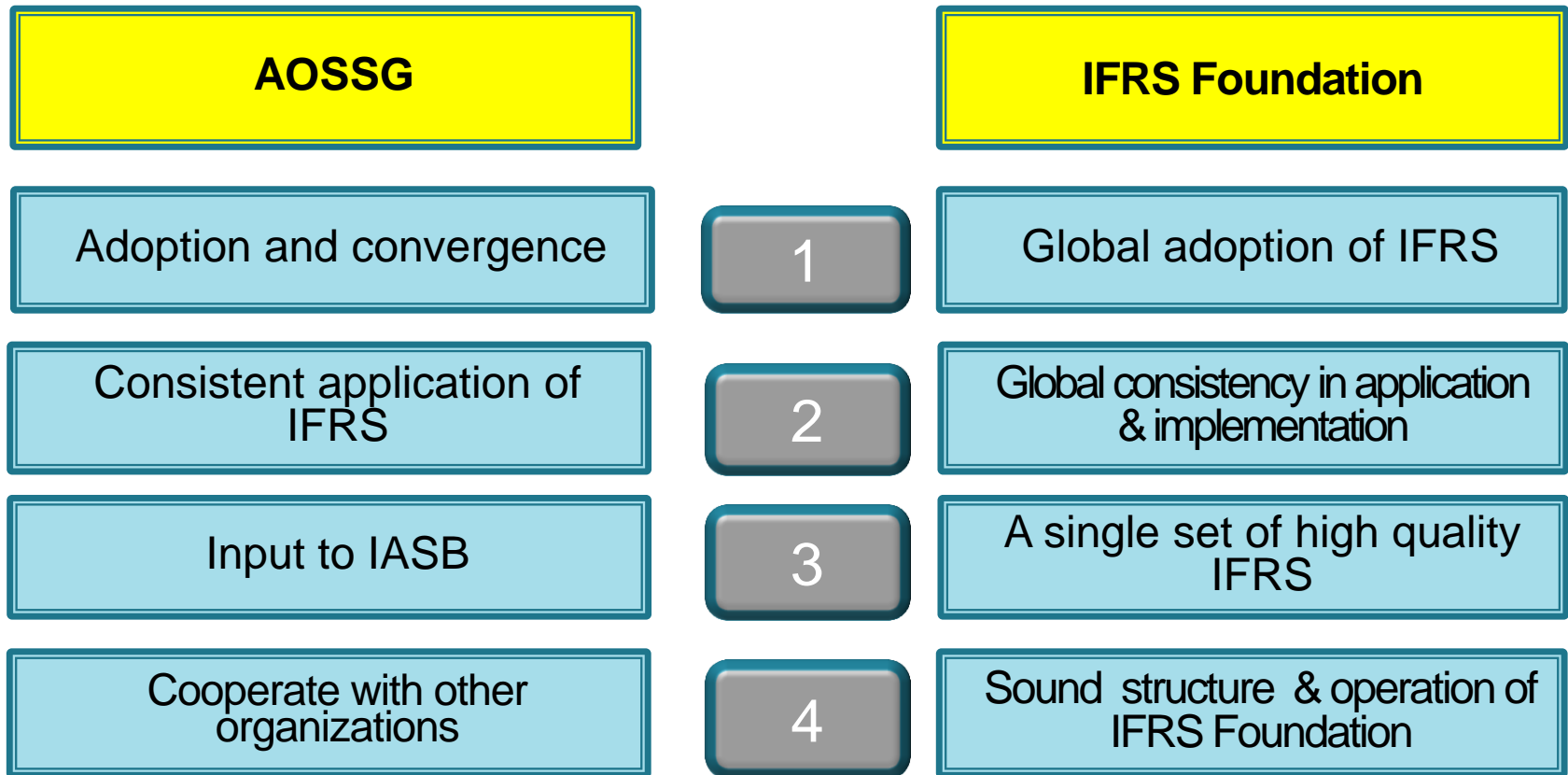


2016 Market Capitalization Percentage



Data sources: World Bank

► Aligned Objectives



► List of AOSSG Chair & Vice-Chair Jurisdictions

Year	Jurisdiction	Organization	Chair	Vice-Chair
2009	Malaysia	Malaysian Accounting Standards Board	Zainal Abidin Putih, Mohammad Faiz Azmi	Ikuo Nishikawa
2010	Japan	Accounting Standards Board of Japan	Ikuo Nishikawa	Kevin Stevenson
2011	Australia	Australian Accounting Standards Board	Kevin Stevenson	Clement Chan
2013	Hong Kong	Hong Kong Institute of Certified Public Accountants	Clement Chan	Steve Lim Dr Jee In Jang
2015	Korea	Korea Accounting Standards Board	Dr Jee In Jang Eui-Hyung Kim	Yibin Gao
2017	China	China Accounting Standards Committee	Yibin Gao	Shiwaji Bhikaji Zaware

▶ **Achievements to date**

➤ **Promoted IFRS adoption and convergence**

- ✓ **All 26 members have IFRS as a base or permit use of IFRS**
 - Since AOSSG's inception in 2009, 12 members have moved to IFRS as a base or permitted use of IFRS
 - At Annual meetings, AOSSG members share progress and issues
- ✓ **Developed capacity-building programme**
 - Assessment & Train-the-trainer Programme for Nepal
- ✓ **Education to assist with implementation consistency**
 - At Interim & Annual meetings IASB & AOSSG provide education sessions

✓ 12 members IFRS status changed since AOSSG inception

AOSSG Members	Time of Change	Application of IFRS in 2017
Brunei	2014	IFRS permitted, IFRS required for some
Cambodia	2009	IFRS required for all
India	2015	IFRS-converged Ind AS required for some
Indonesia	2015	minimize differences between Indonesian GAAP and IFRS (1 year gap)
Japan	2010	IFRS permitted
Korea	2011	IFRS required for all
Malaysia	2012	IFRS required for all or most
Nepal	2014	IFRS required for all or most
Saudi Arabia	2017	IFRS required for all
Sri Lanka	2012 2014	IFRS required for all or most Full convergence with IFRS
Thailand	2011	Being converged with IFRS
Uzbekistan	2013	IFRS required for some

➤ **Promote consistent application of IFRS**

✓ **Share implementation issues**

- At Annual meeting, members present and discuss their implementation issues

✓ **Conduct joint research**

- AASB and KASB undertook joint research

✓ **Coordinate pilot outreach of IFRS 13**

- AOSSG coordinated with IASB project team to perform pilot outreach for PIR with stakeholders in AOSSG jurisdictions

➤ **Coordinate input to the IASB**

✓ **Submit comment letters**

- Submitted 63 comment letters to the due process documents issued by the IFRS Foundation

✓ **Undertake AOSSG-specific projects**

- Agriculture project
- Islamic Finance project

✓ **Deliver views to IASB**

- AOSSG Interim and Annual meetings
- Working group meetings
- ASAF meetings
- IASB staff attended by videoconference outreach sessions in member jurisdictions

➤ **Cooperation with other organizations**

✓ **Attend various international meetings**

- Many AOSSG members attend IFASS meeting and WSS meeting

✓ **Contribute to IFRS Foundation**

- AOSSG encourages its members to identify opportunities to nominate suitable individuals to Trustees, IFRS IC, IFRS AC, Advisory Panel, etc.
- AOSSG member jurisdictions make financial contributions to the IFRS Foundation

Update of the AOSSG's recent activities

- ▶ Restructured the Working Groups
 - to provide more effective input to IASB
- ▶ Revitalized the Mentoring Programme
- ▶ 2017 Annual Meeting in Hangzhou

► Restructured Working Groups

- To simplify and stabilize WGs
- To engage wider membership in forming WG's views
- To provide more effective input to IASB (including ASAF)

Working Group	Leader	Members
Financial Instruments and Liabilities	Australia	China, Hong Kong, India, Indonesia, Japan, Korea, Singapore, Sri Lanka, Syria, Thailand
Business Groups and Assets	Japan	Australia, China, Hong Kong, Indonesia, Korea, Nepal, New Zealand, Pakistan, Singapore, Sri Lanka, Thailand, Uzbekistan
Revenues, Expenses and Others	Hong Kong	China, India, Indonesia, Korea, Philippines, Singapore, Thailand, Uzbekistan
Presentation and Disclosure	Korea	Hong Kong, Indonesia, Japan, Kazakhstan, New Zealand, Saudi Arabia, Singapore
Cross Cutting Topics (CF, FVM)	China	Australia, Hong Kong, Indonesia, Korea, Macao, Saudi Arabia, Singapore
Specific Topics (Islamic Finance)	Malaysia	Indonesia, Pakistan, Saudi Arabia, Syria
Specific Topics (IFRS for SMEs)	Malaysia	Cambodia, Indonesia, Nepal, Pakistan, Syria

► Revitalised the Mentoring Programme

Background

- Replace the TTT Programme
- Provide more hands-on assistance to the beneficiary jurisdiction

Strategy

- Focus more on assisting in the development of the standard-setting capacities and processes
- Assist in other strategic matters relating to the IFRS adoption and implementation

Planning

- Vietnam is being encouraged to participate in the Programme as mentee
- Syria, Cambodia, Saudi Arabia and Nepal show interest in the Programme

- ▶ **2017 Annual Meeting in Hangzhou**
- ▶ **More than 100** delegates and observers from **AOSSG , IFRS Foundation and IASB**
- ▶ **Ministry of Finance of China** attached great importance
- ▶ **China, India, Japan, Sri Lanka and Thailand** shared updates on IFRS application and some training experiences
- ▶ **Focus on following projects:**
 - ✓ Conceptual Framework
 - ✓ Primary Financial Statements
 - ✓ Business Combinations Under Common Control
 - ✓ Fair value measurement
 - ✓ Goodwill and impairment
 - ✓ IFRS for SMEs
 - ✓ Islamic Finance

The Ninth Annual Meeting of AOSSG

2017 Hangzhou, China



Future strategy

- ▶ Challenges
- ▶ Working with IFRS Foundation Trustees & IASB

Challenges

★ Capital markets (and investors in these markets) are at different stages of development:
different accounting information needs

★ At different stages of IFRS adoption and convergence:
a few AOSSG members are not active due to technical & practical issues

**AOSSG member
jurisdictions with diverse
economic, political,
cultural backgrounds**

★ AOSSG has no legal authority:
accordingly promoting the adoption and consistent implementation of IFRS is difficult

★ Limited experience in applying principle-based IFRS & need more guidance:
Lack of valuation & actuarial expertise

▶ **Working with Trustees & IASB**

- Aligned objectives, accordingly, suggestions for working together:
 - **To meet the demands from AOSSG members who are adopting or converging with IFRS; and**
 - **To improve the consistent implementation of IFRS in the AO region**

AOSSG

- Improve input from all members to the accounting standard setting activities by IASB
- Promote understanding of IFRS issued by the IASB
- Provide assistance to AOSSG member jurisdictions to adopt or convergence with IFRS

Joint Efforts

- Mentoring Programme
- Organize IFRS Regional (or national) Conference
- Provide contacts for funding sources, other resources
- Encourage Investors in the AO region to participate actively
- Improve access to other specialized skills (valuation and actuarial)

IFRS Foundation

- Provide more education/training materials
- Help to resolve implementation issues more timely
- Obtain better understanding of the region's specific needs
- Investigate further how the AO Office might be better utilized
- IASB non Asia-Oceania region members to attend AOSSG Annual meetings

Concluding remarks

- AOSSG is a significant force in applying the IFRS in the Asian and Oceanian region
- AOSSG will continue to work together with the IFRS Foundation Trustees and IASB, pursuing common goals
- Please consider providing more resources to the Asian and Oceanian region

Thank you!