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
Introduction to AOSSG

- 26 members of the AOSSG
Influence of AOSSG Member jurisdictions

2016 GDP Percentage

- AOSSG Member Jurisdictions (Except Dubai and Syria): 33.57%
- Other parts of world: 66.43%

2016 Market Capitalization Percentage

- AOSSG Member Jurisdictions (Except Dubai, Syria, Macao, Brunei, Cambodia, Iraq, Mongolia, Nepal, Pakistan, Uzbekistan): 34.32%
- Other parts of world: 65.68%

Data sources: World Bank
Aligned Objectives

AOSSG

1. Adoption and convergence
2. Consistent application of IFRS
3. Input to IASB
4. Cooperate with other organizations

IFRS Foundation

1. Global adoption of IFRS
2. Global consistency in application & implementation
3. A single set of high quality IFRS
4. Sound structure & operation of IFRS Foundation
### List of AOSSG Chair & Vice-Chair Jurisdictions

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

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

<table>
<thead>
<tr>
<th>Working Group</th>
<th>Leader</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Instruments and Liabilities</td>
<td>Australia</td>
<td>China, Hong Kong, India, Indonesia, Japan, Korea, Singapore, Sri Lanka, Syria, Thailand</td>
</tr>
<tr>
<td>Business Groups and Assets</td>
<td>Japan</td>
<td>Australia, China, Hong Kong, Indonesia, Korea, Nepal, New Zealand, Pakistan, Singapore, Sri Lanka, Thailand, Uzbekistan</td>
</tr>
<tr>
<td>Revenues, Expenses and Others</td>
<td>Hong Kong</td>
<td>China, India, Indonesia, Korea, Philippines, Singapore, Thailand, Uzbekistan</td>
</tr>
<tr>
<td>Presentation and Disclosure</td>
<td>Korea</td>
<td>Hong Kong, Indonesia, Japan, Kazakhstan, New Zealand, Saudi Arabia, Singapore</td>
</tr>
<tr>
<td>Cross Cutting Topics (CF, FVM)</td>
<td>China</td>
<td>Australia, Hong Kong, Indonesia, Korea, Macao, Saudi Arabia, Singapore</td>
</tr>
<tr>
<td>Specific Topics (Islamic Finance)</td>
<td>Malaysia</td>
<td>Indonesia, Pakistan, Saudi Arabia, Syria</td>
</tr>
<tr>
<td>Specific Topics (IFRS for SMEs)</td>
<td>Malaysia</td>
<td>Cambodia, Indonesia, Nepal, Pakistan, Syria</td>
</tr>
</tbody>
</table>
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 has no legal authority:
  accordingly promoting the adoption and consistent implementation of IFRS is difficult

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

★ 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!