



asian-oceanian  
standard-setters group

# **Trustees** and **AOSSG** **working together**

Trustees Meeting in Tokyo, May 2017



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# Contents

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**2** Challenges and action plans

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# **Common goals and achievements**

# Regional standard setters

## NORTH AMERICA

- ✓ No Regional standard setting body

**GLASS**

- ✓ Established in 2011

**EFRAG**

European Financial Reporting Advisory Group

- ✓ Established in 2001

**PAFA**

PAN-AFRICAN FEDERATION OF ACCOUNTANTS

- ✓ Established in 2011



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- ✓ Established in 2009
- ✓ 26 member countries

# AOSSG members

(See Attachment #1)



Australia



Brunei



Cambodia



China



Hong Kong



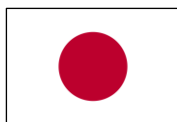
India



Indonesia



Iraq



Japan



Kazakhstan



Korea



Macao



Malaysia



Mongolia



Nepal



New Zealand



Pakistan



Philippines



Saudi Arabia



Singapore



Sri Lanka



Syria



Thailand



UAE



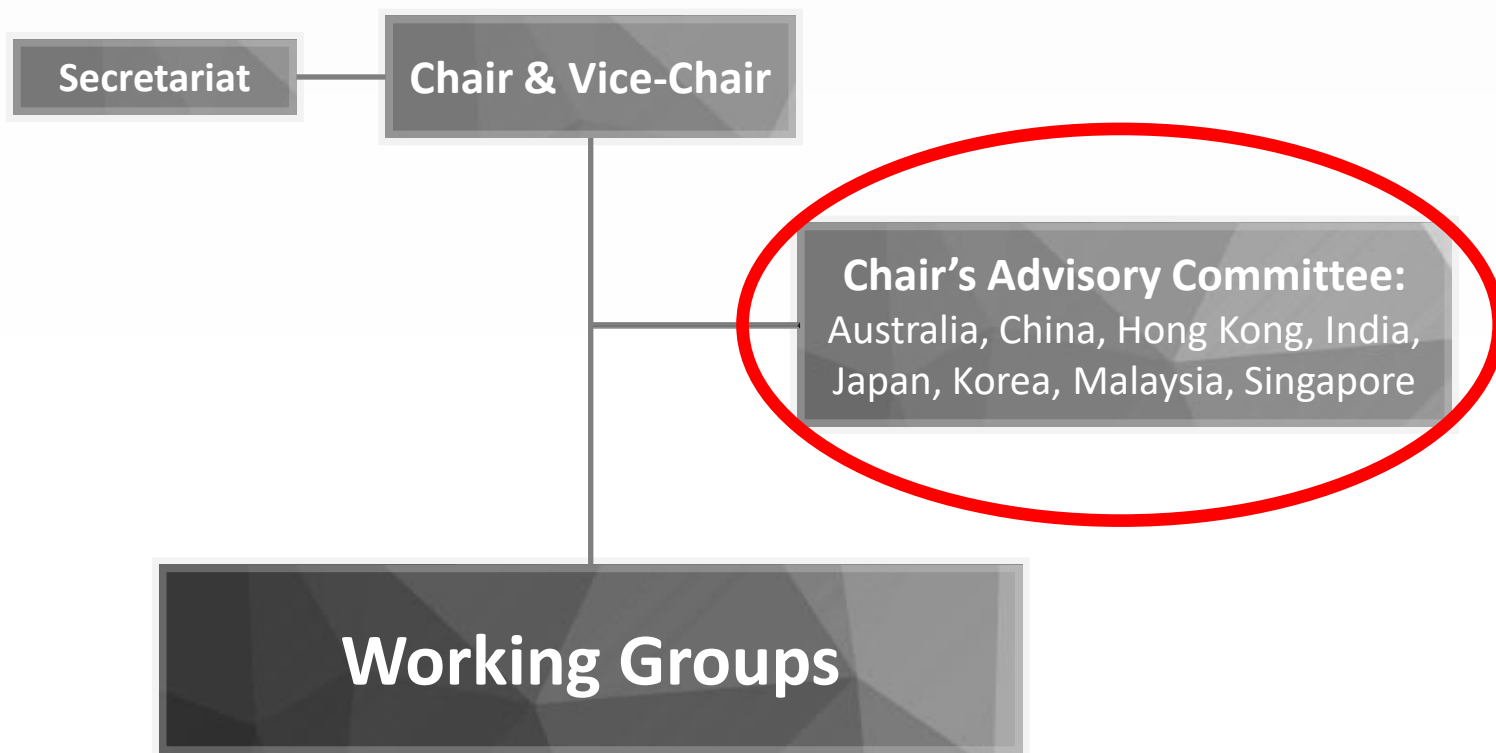
Uzbekistan



Vietnam

**26**  
members

# Organisation







# Pursue common goals

**Common  
Goals**

**AOSSG**

**IFRS Foundation**



# Strategic goals of IFRS Foundation



## IFRS Foundation



- 1** Develop a single set of high quality, globally accepted financial reporting standards
- 2** Pursue the global adoption of IFRS
- 3** Support the consistent application and implementation of IFRS globally
- 4** Ensure that the IFRS Foundation, as an organisation, is independent, stable and accountable

# Objectives of AOSSG

**asian-oceanian**  
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Coordinate **input** from the region to the technical activities of the **IASB**

**2**

Promote the **adoption** of (and **convergence** with) IFRSs by jurisdictions in the region

**3**

Promote **consistent application of IFRSs** by jurisdictions in the region

**4**

**Cooperate** with governments and regulators and other regional and international **organizations** to improve the quality of financial reporting in the region

**AOSSG**

# Mutual support and cooperation



# Achievements to date

Objective

**01**

## Input to IASB

### Submit comment letters

- Submitted 61 comment letters to the due process documents issued by the IFRS Foundation

### Undertake AOSSG-specific projects

- Agriculture project
- Islamic Finance project

### Deliver views through physical meeting

- AOSSG Interim and Annual meetings
- ASAF meetings

# Achievements to date

Objective

**02**

## Adoption and convergence

### Operate capacity-building programme

- TTT(Train-the-trainer) Programme for Nepal

### Discuss IFRS adoption and convergence

- At Annual meetings, members share their progress and issues as to IFRS adoption and convergence

### Provide education session

- At Interim meetings, IASB provides education on IFRS standards to AOSSG members

# Achievements to date

Objective

**03**

## Consistent application of IFRS

### Share implementation issues

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

### Conduct joint research

- AASB and KASB undertook a joint research

### Coordinate pilot outreach of IFRS 13

- In 2016, AOSSG coordinated with IASB project team to perform a pilot outreach for PIR with stakeholders in AOSSG jurisdictions

# Achievements to date

Objective

**04**

## Cooperation with other organisations

### Attend various international meetings

- Many AOSSG members attend IFASS meeting and WSS meeting

### Contribute to IFRS Foundation

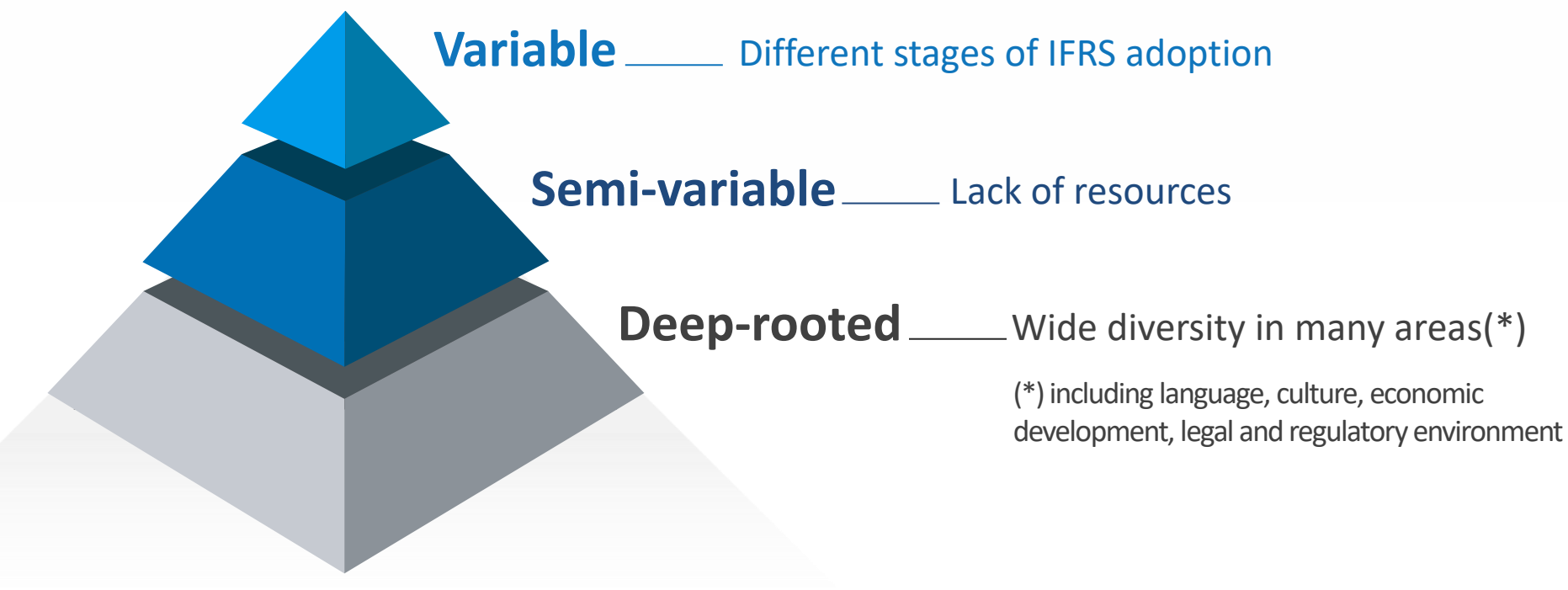
- AOSSG encourages its members to identify opportunities to nominate suitable individuals to Trustees, IFRS IC, IFRS AC, Advisory Panel, etc.
- AOSSG member jurisdictions made financial contributions to the IFRS Foundation



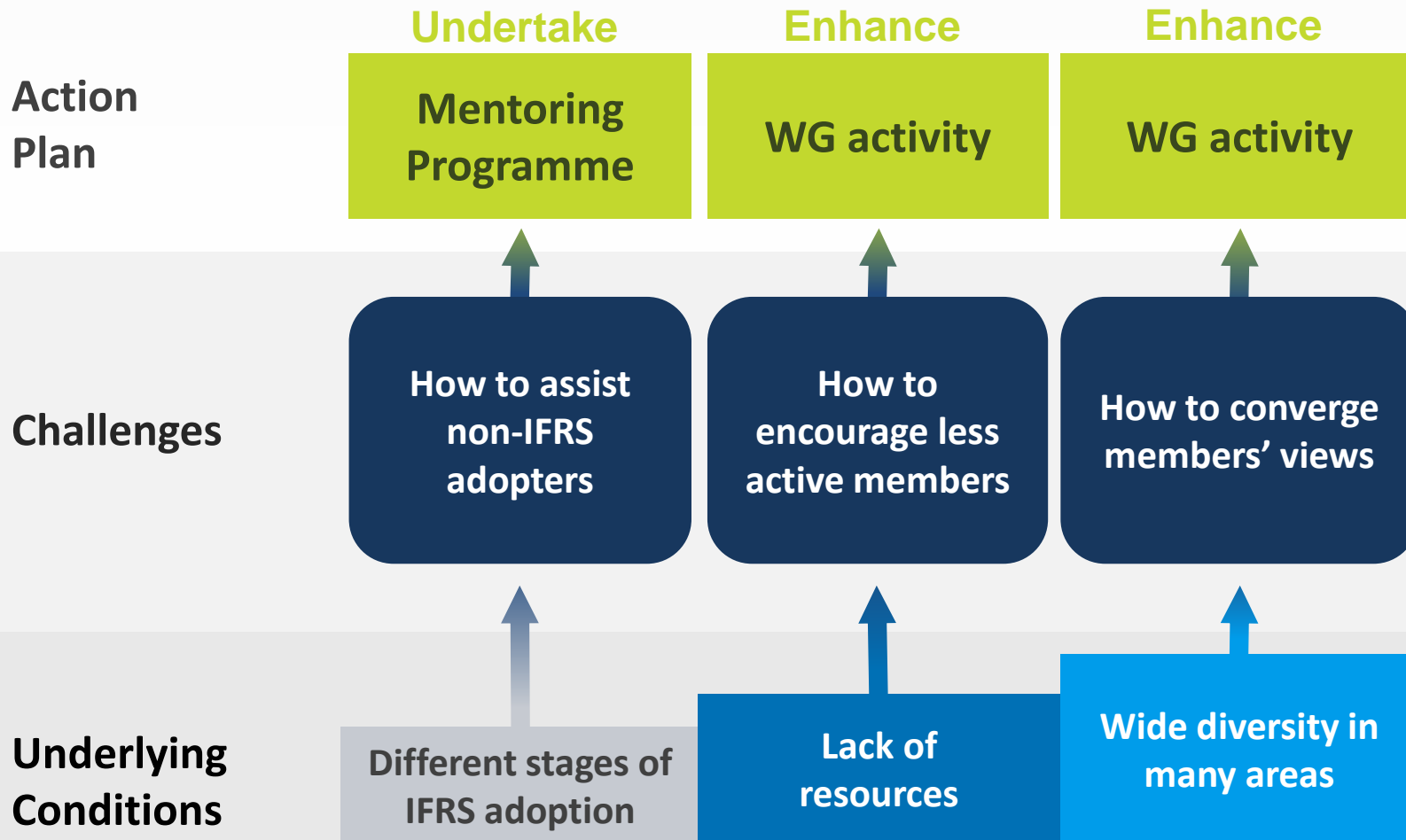
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## Challenges and action plans

# Underlying conditions



# Challenges and action plans



# Action Plan 1\_ **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

# Action Plan 1\_ **Mentoring programme**

| Comparison with past model |

	<b>Past model</b> (TTT Programme)	<b>New model</b> (Mentoring Programme)
<b>Phase I</b>	<ul style="list-style-type: none"> <li>Perform “on-the-ground assessment” of the beneficiary’s standard-setting process and capacity</li> </ul>	<ul style="list-style-type: none"> <li>Same as left</li> </ul>
<b>Phase II</b>	<ul style="list-style-type: none"> <li>Conduct intensive “Train-the-Trainer (TTT)” exercise to assist jurisdiction in using IFRS</li> </ul>	<ul style="list-style-type: none"> <li>Mentor jurisdictions help the mentee address findings from Phase I and build capacity to use IFRS</li> </ul>

## Action Plan 2\_ **New structure of WGs**

### Background

- The existing WG structure became outdated
- Has reformed the WG structure to simplify and stabilize it

### Strategy

- Aims to engage the wider membership in forming the WG's views
- Make efforts to draw a more converged view rather than compiling each members' views

### Planning

- The new structure is soon to be activated

## Action Plan 2\_ **New structure of WGs**

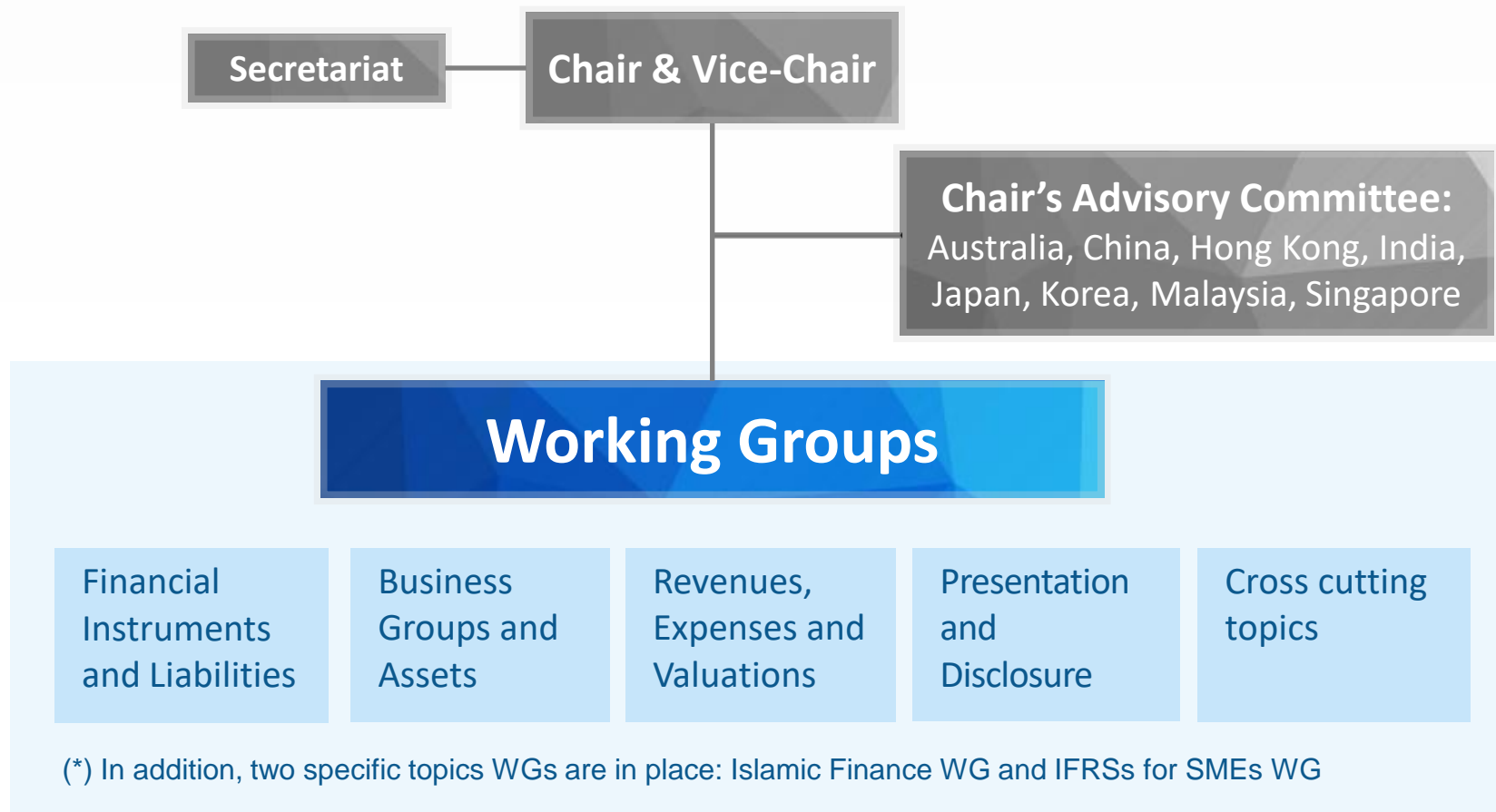
### | Comparison with past WG structure |

	Past structure	New structure
<b># of WG</b>	17 technical WGs	5 technical WGs (with two WGs of specific topics)
<b>Organisation</b>	<b>Ad-hoc basis</b> <ul style="list-style-type: none"> <li>Each WG has been created in response to new IASB projects</li> </ul>	<b>Permanent basis</b> <ul style="list-style-type: none"> <li>WGs are set up based on the topics at high level so that they include all relevant IASB projects and IFRS standards</li> </ul>
<b>Operation</b>	Some WGs are <b>inactive</b> as the corresponding IASB project is completed or put on hold	All WGs will be <b>active</b> regardless of whether the IASB project is ongoing



## Action Plan 2\_ **New structure of WGs**

(See Attachment #2)



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# **Future cooperation**

# Discussion points

## Requests to the Trustees

- Support for the Mentoring Programme
- Support for the AOSSG WG activities

## On-going Issues to think about

- How can we maintain consistent application of IFRS globally?
- How can we enhance users' participation in standard-setting activities?

# Requests to the Trustees

- **Support for the Mentoring Programme**



## Requests

- **Trustee members pay visits to AOSSG member jurisdictions that are in the progress of adopting IFRS**
- **Trustees and AOSSG jointly hold meetings with stakeholders in those member jurisdictions**
- **Trustees enable the IASB to cooperate with the AOSSG providing assistance to mentees in the Mentoring Programme**

# Requests to the Trustees

- **Support for AOSSG WG Activities**



## Requests

- IASB members and staff interact with AOSSG WGs on a continuing basis, for example, by joining in the WG meetings via telephone or video conferencing facility
- IASB members with background other than Asia-Oceania region attend AOSSG Annual meetings in person
- IASB provide education sessions to AOSSG members who have less resources

# On-going issues to think about

- How to maintain consistent application



## Ideas

- AOSSG needs to expand its interaction with local stakeholders

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- In that effort, each Trustee in the Asia-Oceania region could provide support for facilitating cooperation between local stakeholders and AOSSG

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- Any other suggestions?

# On-going issues to think about

- How to enhance user participation



## Ideas

- AOSSG might consider establishing an on-going channel with investor community in its region

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- Trustees needs to promote its *Investors in Financial Reporting Programme* to investors in the Asia-Oceania region

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- Any other suggestions?



# Concluding remarks

- 1** AOSSG appreciates the work of the IASB and Trustees
- 2** AOSSG will continue to work together with the IFRS Foundation, pursuing common goals
- 3** AOSSG hopes to enhance cooperation with IFRS Foundation



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# Thank you!



# Appendix

# Regional standard setters

## | Regional standard setters by comparison |

RSS	Organisational comparison	Operational comparison
EFRAG	<ul style="list-style-type: none"> <li>• Legal entity</li> <li>• Private organisation, but partly funded by the European Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Provide technical expertise to EC</li> <li>• Participate in IASB's standard setting</li> <li>• Coordinate regional views</li> </ul>
PAFA	<ul style="list-style-type: none"> <li>• Legal entity</li> <li>• Private organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in IASB's standard setting</li> <li>• Coordinate regional views</li> </ul>
GLASS	<ul style="list-style-type: none"> <li>• Voluntary non-legal entity</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in IASB's standard setting</li> <li>• Coordinate regional views</li> </ul>
<b>AOSSG</b>	<ul style="list-style-type: none"> <li>• Voluntary non-legal entity</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in IASB's standard setting</li> <li>• Coordinate regional views</li> </ul>

# Establishment of AOSSG

## A need to expand and integrate the existing regional meetings

- Three Countries Meeting (China-Japan-Korea)
- IFRS Regional Policy Forum

## AOSSG was established in Nov. 2009

- Preparatory meeting in Beijing (Apr. 2009)
- 1st Annual meeting in Kuala Lumpur (Nov. 2009)



# AOSSG profile

## Members

AOSSG is comprised of **26 members**:

**Australia, Brunei, Cambodia, China, Dubai, Hong Kong, India, Indonesia, Iraq, Japan, Kazakhstan, Korea, Macao, Malaysia, Mongolia, Nepal, New Zealand, Pakistan, Philippines, Saudi Arabia, Singapore, Sri Lanka, Syria, Thailand, Uzbekistan, Vietnam**

## Meetings

- Annual Meeting and Interim Meeting
- Chair and Vice Chair (CVC) teleconference, Chair's Advisory Committee (CAC) teleconference

## Working Group (WG)

- Substantial activity of AOSSG is done through WGs
- Monitor the ongoing work of IASB
- Submit comment letters to the IASB's consultation documents

# Annual Meetings of AOSSG

#	Year	Venue	Chair of AOSSG
1	2009	Kuala Lumpur, Malaysia	Malaysia
2	2010	Tokyo, Japan	Japan
3	2011	Melbourne, Australia	Australia
4	2012	Kathmandu, Nepal	Australia
5	2013	Colombo, Sri Lanka	Hong Kong
6	2014	Hong Kong	Hong Kong
7	2015	Seoul, Korea	Korea
8	2016	Wellington, New Zealand	Korea
9	2017	Hangzhou, China (to be held)	China



# IFRS Adoption status

Jurisdictions	Domestic listed companies				
	Converged with IFRSs	Fully converged with IFRSs	IFRSs permitted	IFRS required for some	IFRS required for all or most
Australia					0
Brunei			0	0	
Cambodia					0
China		0			
Dubai Int'l Financial Centre					0
Hong Kong					0
India				0	
Indonesia	0				
Iraq					0
Japan	0		0		
Kazakhstan					0
Korea					0
Macao	No stock exchange in Macao (but IFRSs permitted)				

# IFRS Adoption status (continued)

Jurisdictions	Domestic listed companies				
	Converged with IFRSs	Fully converged with IFRSs	IFRSs permitted	IFRS required for some	IFRS required for all or most
Malaysia					0
Mongolia					0
Nepal					0
New Zealand					0
Pakistan					0
Philippines					0
Saudi Arabia					0
Singapore					0
Sri Lanka					0
Thailand	0				
Uzbekistan	0		0	0	
Vietnam	0				
<b>Total</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>15</b>

# Achievements to highlight

## Agriculture project

- The AOSSG WG had identified issues on accounting for bearer biological assets (BBA) and accordingly submitted to IASB the recommendation for improvement on IAS 41 *Agriculture*.
- In June 2014, the IASB issued amendments to IAS 41 and IAS 16

Commenting on the publication of the amendments, Hans Hoogervorst, Chairman of the IASB, said:

*“This is an important amendment for those jurisdictions with large agriculture industries. I would like to thank those constituents who helped us to identify this issue through their feedback during the IASB’s agenda consultation and the Malaysian Accounting Standards Board, Asian-Oceanian Standard-Setters Group and Emerging Economies Consultative Group for their valuable input.”*

※ Source: <http://www.ifrs.org/Alerts/Publication/Pages/IASB-issues-amendments-to-IAS-16-and-IAS-41-for-bearer-plants-June-2014.aspx>

# Achievements to highlight

## Islamic Finance project

- This WG has taken the proactive steps to undertake research on the conduct of Islamic financial transactions in various jurisdictions and their financial reporting practices, apart from commenting on the IASB draft pronouncements (where applicable) from the Islamic perspective.
- The following research papers / reports have been produced:

Title	Issue date
An Update to the 2014 Study of Financial Statements of Islamic Financial Institutions	Jan 2017
A study of Financial Statements of Islamic Financial Institutions	Mar 2015
AOSSG Survey – Accounting and Islamic Finance in the Middle East and North Africa	Nov 2013
AOSSG Survey – Accounting for Islamic Financial Transactions and Entities	Dec 2011
Financial Reporting Issues relating to Islamic Finance	Oct 2010

# AOSSG protocols

## AOSSG MoU

- Stipulates the objectives of AOSSG, organisational structure, etc.

## Membership Due Process

- Sets out the steps to membership and the identification of national standard setters

## Vision Paper

- Establishes vision toward the future, including ‘leadership role in global accounting standard-setting’, ‘proactive research and thought-leadership activities’, and ‘regional initiatives regarding consistent application’

## Strategic Plan 2015-2019

- Outlines strategic action plans based on SWOT analysis



### **Application of IFRSs in AOSSG member jurisdictions<sup>1</sup>**

Jurisdiction	Domestic Listed Companies						
	Being converged with IFRSs	Fully converged with IFRSs	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for Most	IFRSs Required for All	Audit Report States Compliance with IFRSs
Australia						X	Yes
Brunei			X	X <sup>Note1</sup>			
Cambodia						X <sup>Note2</sup>	
China		X <sup>Note3</sup>					
Dubai International Financial Centre						X	Yes
Hong Kong						X <sup>Note4</sup>	Yes
India				X <sup>Note5</sup>			Yes
Indonesia	X <sup>Note6</sup>						
Iraq						X	Yes
Japan	X <sup>Note7</sup>		X				
Kazakhstan						X	Yes
Korea						X <sup>Note8</sup>	Yes
Macao	No stock exchange in Macao <sup>Note9</sup>						
Malaysia						X <sup>Note10</sup>	Yes
Mongolia						X	Yes
Nepal						X <sup>Note11</sup>	
New Zealand						X	Yes
Pakistan						X <sup>Note12</sup>	Yes
Philippines						X <sup>Note13</sup>	Yes
Saudi						X <sup>Note14</sup>	Yes

<sup>1</sup> This table is developed based on publicly available information or information AOSSG members submitted, without performing examination of underlying information on a standard-level.



Jurisdiction	Domestic Listed Companies						
	Being converged with IFRSs	Fully converged with IFRSs	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for Most	IFRSs Required for All	Audit Report States Compliance with IFRSs
Arabia							
Singapore						X <sup>Note15</sup>	Yes
Sri Lanka						X <sup>Note16</sup>	Yes
Thailand	X <sup>Note17</sup>						
Uzbekistan	X <sup>Note18</sup>		X	X <sup>Note18</sup>			
Vietnam	X						
<b>Total</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>16</b>	<b>15</b>

[Notes to the table]

1. There is no stock exchange in Brunei. Full IFRS adoption will be required for public accountable entities such as banks, financial institutions, insurance companies, and takaful companies. (Takaful companies are similar to mutual insurance companies with effect from 1 January 2014).

2. IFRS Standards are adopted word-for-word as Cambodian International Financial Reporting Standards (CIFRS). CIFRS is required for publicly traded entities, financial institutions and large entities.

3. The Ministry of Finance of China (MoF) is responsible for setting accounting standards for all business enterprises, including listed companies and financial institutions. China has adopted national accounting standards that are substantially converged with IFRS Standards. The Chinese Accounting Standards for Business Enterprises (ASBEs) issued in February 2006 were substantially converged with IFRS, which was recognized in the Joint Statement of CASC Secretary-General and IASB Chairman signed in November 2005. Based on the Roadmap for Continuing Convergence of ASBEs with IFRS released by the MoF in April 2010, the ASBEs will be revised and improved in accordance with the revision and improvement of IFRS, in order to continue convergence of the ASBEs with IFRS. In 2014, the MoF issued three new ASBEs and five revised ASBEs, and issued several Exposure Drafts in 2015 and 2016, which are continuing converged with IFRSs. In November 2015, the MoF and the IFRS Foundation published a joint statement, reaffirming the goal of full convergence, and enhancing continued cooperation.

4. Hong Kong is a Special Administrative Region of China. Hong Kong accounting standards are



fully converged with IFRSs effective 1 January 2005. The Hong Kong standards contain wording identical to the equivalent IFRS except that the transitional provisions in a few standards that were converged initially with effect from 1 January 2005 were changed to provide the transition from the requirements in the previous HK GAAP. Since 1 January 2005, all HKFRSs issued have the same IFRS effective dates and transitional provisions.

5. India decided to converge with IFRS. Accordingly, IFRS-converged Indian Accounting Standards (Ind AS) have been notified by the Ministry of Corporate Affairs (MCA), Government of India (GoI). The Indian Government has issued the roadmap for implementation of IFRS-converged Indian Accounting Standards (Ind ASs) in phased manner. As per the roadmap, under Phase I, all companies are permitted to follow Ind AS on voluntary basis for the accounting period beginning on or after 1 April, 2015. All domestic public companies having net worth of Rs. 500 crore or more are required to follow Ind AS on mandatory basis for the accounting period beginning on or after 1 April, 2016.

Under Phase II, remaining listed companies and companies having net worth of Rs. 250 crore or more are required to follow Ind AS for the accounting period beginning on or after 1 April 2017. Besides, all holding, subsidiary, joint venture or associate companies of companies which are covered by the Roadmap are also required to follow Ind AS.

Banks and Insurance Companies are required to implement Ind AS from 1 April 2018 and Non Banking Finance Companies (NBFCs) shall apply Ind AS in phased manner (Phase I-from 1 April 2018 and Phase II-1 April 2019).

6. Indonesia has made significant progress on IFRS convergence and continues to further minimize differences between Indonesian GAAP and IFRSs. Entities are permitted to use IFRSs if those entities are listed in other jurisdictions that require IFRS-based financial reports or are subsidiaries of foreign entities that apply IFRS. As at 1 January 2017, Indonesian GAAP that is effective in Indonesia is in line (with clear immaterial differences) with IFRSs that are effective 1 January 2016 (one year gap).

7. Listed companies may use Japanese Accounting Standards, Japan's Modified International Standards, IFRS Standards or US GAAP. Voluntary application of IFRS Standards in consolidated financial statements by listed companies that meet certain criteria has been permitted since March 2010. In 2013 those criteria were broadened to permit virtually all listed companies to use IFRS Standards, as well as unlisted companies that are preparing consolidated financial statements for listing purposes. As of February 2017, 156 companies (accounting for 30% of the Tokyo Stock Exchange market capitalization) have adopted or plan to adopt IFRS Standards. An additional 221 companies (19% of the TSE market capitalization) have announced that they are considering whether to move to IFRS Standards.

8. Korea has adopted all IFRSs as issued by the IASB as Korean Financial Reporting Standards





effective 2011, with early adoption permitted from 2009.

9. IFRSs are permitted in Macao. Since 2007, financial institutions, public companies and concessionary entities in Macao have been required to comply with the Macao Financial Reporting Standards, which comprise the Framework and 16 IFRSs/IASs issued by the IASB. In addition, some entities in Macao, mainly those in the gaming industry, are listed on the Hong Kong Stock Exchange and apply IFRS according to the Hong Kong Stock Exchange rules.

10. Malaysian Financial Reporting Standards (MFRSs) (which are identical to IFRSs) are required for all non-private entities in Malaysia since 1 January 2012, except for Transitioning Entities (i.e. non-private entities within the scope of IAS 41 Agriculture and IFRIC 15 Agreements for Construction of Real Estate). In September 2014, the Malaysian Accounting Standards Board announced that Transitioning Entities are mandated to comply with MFRSs by 1 January 2017. Foreign companies listed on Bursa Malaysia may use IFRSs.

On 28 October 2015, the MASB announced that in the light of the IASB's deferral of IFRS 15 *Revenue from Contracts with Customers* the mandatory effective date for Transitioning Entities to migrate to the MFRS Framework is deferred to 1 January 2018. The MASB has consistently used the effective date of MFRS 15 (which is word-for-word IFRS 15) as the basis for setting the effective date for the Transitioning Entities to apply the MFRS Framework.

11. IFRS adopted as Nepal Financial Reporting Standards (NFRS) are required. They are being implemented for listed companies and government-owned business entities (state owned enterprises) over a three-year period starting in 2014. Full implementation of NFRS will be completed in 2018. Also, the Nepal Financial Reporting Standard (NFRS) for Small and Medium-sized Entities (SMEs) will be implemented from 2018.

12. Domestic companies whose securities trade in a public market are required to use IFRS Standards as adopted in Pakistan. Some important Standards have not been adopted for companies asserting compliance with IFRS Standards as adopted in Pakistan. And Pakistan has not applied IFRS 1 First-time Adoption of International Financial Reporting Standards. Pakistan has made the following modifications:

(1) it has not adopted IFRS 1. (2) IAS 39 Financial Instruments: Recognition and Measurement, IAS 40 Investment Property, and IFRS 7 Financial Instruments: Disclosures have not been adopted for banks and other financial institutions regulated by the State Bank of Pakistan (SBP). The SBP has prescribed its own criteria for recognition and measurement of financial instruments for such financial entities. Those Standards do apply to other companies not regulated by the SBP. (3) it has not adopted IFRIC 4 Determining whether an Arrangement contains a Lease. (4) it has not adopted IFRIC 12 Service Concession Arrangements

13. The Philippine Financial Reporting Standards (PFRSs) are required for all domestic listed entities. PFRSs are fully converged with IFRSs except for IFRIC 15 Agreements for the Construction



of Real Estate. The Philippine Financial Reporting Standards Council has deferred the mandatory effective date of IFRIC 15 until the revised IASB Revenue standard is issued and an evaluation of the revised Revenue standard requirements against the practices of the Philippine real estate industry is completed.

14. All listed and public interest entities are required to apply IFRS from a January 2017, whereas banks and insurance companies were applying IFRS since long time. Other non public interest entities will apply IFRS for SMEs from 1 January 2018 with the option of applying full IFRS from 1 January 2017.

15. Singapore has adopted all IFRSs except for IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments – as Singapore Financial Reporting Standards (SFRS), with several modifications to the exemption from consolidation and the equity method, transition provisions and effective dates. The non-adoption of IFRIC 2, and the sole modification to the requirements of IFRS, do not affect local companies whose securities are traded in a public market. In May 2014, the Singapore Accounting Standards Council announced that local companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to IFRS for annual periods beginning on or after 1 January 2018. Foreign companies listed on the SGX are permitted to use IFRS.

16. All domestic companies whose securities trade in a public market are required to use Sri Lanka Financial Reporting Standards (SLFRS) which are substantially converged with IFRS.

17. The Federation of Accounting Profession announced a plan to fully adopt IFRSs as the Thai GAAP for the fifty actively trading listed companies in the Stock Exchange of Thailand (SET 50) in 2011. Thereafter, full adoption of IFRSs by SET 100 are planned for 2013. The rest of the listed companies and the companies listed in the Market Alternative Investment (MAI) have to fully adopt IFRSs in 2015. The IASs and IFRSs that will be fully applied to all listed companies as mentioned are those published in the first bound volume 2009 (IFRS 2008).

18. In Uzbekistan, IFRS with some modifications are required for banks by the Central Bank.



## **Guidelines on the Modus Operandi of an AOSSG Working Group (WG)**

### **Objectives**

The objectives of a Working Group (WG) are to assist the AOSSG effectively influence the IASB by:

- assisting WG and AOSSG members understand IASB proposals to help promote adoption of, and convergence with, IFRS by jurisdictions in the region;
- coordinating input to prepare responses to IASB technical proposals, including views from as many AOSSG members as possible;
- promoting consistent application of IFRS by jurisdictions in the region, by identifying AOSSG member's implementation and other practice issues and communicating to the IASB;
- proactively identifying issues the IASB should be including on their work program and conducting relevant research to support the AOSSG proposal; and
- preparing briefing notes for the AOSSG representative on the Accounting Standards Advisory Forum (ASAF).

### **Types of WG**

There are 2 types of WG:

- standing WGs, each comprising a group of related standards and/or projects. These are expected to address the majority of topics being considered by the IASB. Standing WGs may have a number of sub working groups (SWGs) where a topic involves particularly specialist skills; and
- specific topic WGs, each comprising a topic important, but relevant only to a limited number of members, or of strategic importance to AOSSG, and the standing WGs do not have skills or experience to address the issues.

### **Members of the WGs and SWGs**

Each WG has a Lead jurisdiction responsible for the operation of the WG. A SWG of a WG may have a different leader to the WG (see appointment of WG and SWG leaders). Members of the WGs and SWGs are member jurisdictions of AOSSG who have volunteered to be involved. The secretariat will annually ask the member jurisdictions to nominate/confirm their involvement in particular WGs and SWGs.



## **Establishment and dissolution of WGs and SWGs**

The secretariat initially identifies the standing WGs and confirms the establishment of the WGs with the Chair's Advisory Committee (CAC). As new topics are proposed by the IASB or AOSSG members, the secretariat assesses whether a standing WG can address the topic and consults with the relevant WG leader(s). Where the WG leader(s) and secretariat agree the standing WG(s) is/are not appropriate, the secretariat identifies a specific topic WG and confirms its establishment with the CAC. The secretariat reviews the structure and composition of all WGs and SWGs annually. The secretariat identifies any specific topic WGs that are no longer required and confirms the dissolution with the CAC.

The WG leader identifies any SWGs considered necessary for the operation of the WG and confirms the establishment with the secretariat. The WG leader, in conjunction with the secretariat, reviews the structure and composition of the SWGs annually. The WG leader identifies any SWGs that are no longer required and confirms the dissolution with the secretariat.

## **Appointment of WG and SWG leaders**

The secretariat asks for nominations for WG leaders and/or identifies an appropriate WG leader from the CAC members for a standing WG and from the AOSSG members for a specific topic WG, and confirms the appointment with the CAC. The appointment as standing WG leader will be for 3 years and will formally be reconsidered with the CAC at that time. A standing WG leader may be reappointed for a further term of 3 years. The appointment as a specific topic WG leader has no fixed term, however will be reviewed after 3 years should the specific topic WG still be in existence.

If the WG determines a SWG leader is needed, the WG leader asks the WG members to nominate for SWG leaders and/or identifies an appropriate SWG leader, and confirms the appointment with the WG members and the secretariat. The SWG member may be from the WG leader's jurisdiction, other CAC members, or if possible, non-CAC members. The appointment as a SWG leader has no fixed term, however will be reviewed after 3 years should the SWG still be in existence, or earlier if the SWG leader requests.

The WG leaders should have the following capabilities or be able to develop these capabilities:

- respectful of the views of AOSSG members, able to relate to other members and to lead, in a collegiate manner;
- preparedness to lead WG without an undue bias toward their home jurisdiction's interests;
- strategic thinking regarding structure and operation of the WG and SWGs;
- strong technical knowledge of the relevant WG topics;
- willingness to encourage participation from jurisdictions less progressed in adopting or converging with IFRS;



- strong communication and presentation skills, including ability to effectively represent AOSSG internationally, especially on key technical issues;
- strong project management skills to achieve deadlines;
- technical and administrative resources for operating the WG;
- have established a network among, and continue to have involvement with, national standard setters within and outside of the region; and
- have established contacts, and continue to develop contacts, with IASB members and staff.

The SWG leaders should have the following capabilities:

- respectful of the views of AOSSG members, able to relate to other members and to lead, in a collegiate manner;
- preparedness to lead SWG without an undue bias toward their home jurisdiction's interests;
- strong technical knowledge of the relevant SWG topics;
- strong communication and presentation skills; and
- strong project management skills to achieve deadlines.

### **Review of WG and SWG operations**

The secretariat conducts an annual review of each WG's and SWG's operation as part of the annual AOSSG meeting, seeking members' views.

### **Administration of WGs and SWGs**

The secretariat maintains the WG and SWG membership lists. Members are responsible for notifying the WG leaders, SWG leaders and the secretariat of new/replacement members and updated contact details.

The WG leader will be responsible for all communication with the secretariat, including reviewing the draft and final proposals prior to circulation to all AOSSG members, agreeing the plan of proposed activities and meetings for the SWGs, setting the overall direction for the WG and SWGs, and proactively identifying issues the IASB should be including on their work program and conducting relevant research to support the AOSSG proposal.

The WG and SWG leaders prepare a plan of proposed activities and meetings for presentation at the annual AOSSG meeting and agree with the WG and SWG members. When finalised a copy is provided to the secretariat.



The SWG leader agrees reporting timetables and responsibilities for reviewing and distributing draft proposals with the WG leader and regularly updates the WG leader. The WG leader agrees reporting timetables with the secretariat for responses to the IASB and regularly updates the secretariat on progress.

The WG and SWG leaders are responsible for organising meetings, including providing teleconference details. The WG and SWG leaders agree on whether all members of the WG are invited to the SWG meetings.

The SWG leaders are responsible for recording decisions and outstanding actions for each SWG meeting and circulating to all members of the WG, the WG leader and the secretariat. The WG leaders are responsible for recording decisions and outstanding actions for each WG meeting and circulating to all members of the WG and the secretariat.

The secretariat is responsible for distributing any draft proposals to the AOSSG membership and final submissions to the IASB and AOSSG membership. Comments on draft proposals are sent directly to WG leaders, SWG leaders and the secretariat.

WGs and SWGs will generally conduct business electronically, either by email, telephone or videoconferencing.

Physical meetings are encouraged as part of the annual AOSSG meeting. If the WG or SWG leader deems physical meetings to be essential at other times the WG or SWG leader is responsible for providing the meeting venue. Travelling, accommodation and related costs would generally be borne by the respective members involved in the meeting.

## **WG and SWG operation**

The key actions expected of the WG and SWG to meet its objectives are set out below. The WG and SWG leaders agree the division of responsibility between them (item (d) is a WG Leader responsibility only).

- (a) **Assisting WG and AOSSG members understand IASB proposals to help promote adoption of, and convergence with, IFRS by jurisdictions in the region**
  - provide education/background material on IASB proposals to WG members in a form that can be distributed to all AOSSG members
- (b) **Coordinating input to prepare responses to IASB technical proposals, including views from as many AOSSG members as possible**
  - monitor IASB progress on topics relevant to the WG or SWG to identify issues of relevance for AOSSG members;
  - provide useful input to the IASB at critical stages of development, not only when a consultative document is issued;



- for narrow-scope amendments or limited modification consultation documents issued by the IASB or IFRS IC, identify any members likely to be impacted, and assess whether response necessary. If not considered necessary, advise the secretariat of rationale for not responding, for distribution to AOSSG members;
  - when final IASB proposals issued, identify major issues that would get maximum input from the region (generally a relatively small number of items) and alternative views/options for major issues for consideration by WG. The objective of identifying major issues is to see if a consensus can be achieved from the region. If not, provide the IASB with rationales for the alternative views, together with other issues raised by WG members that received relatively less attention from the WG;
  - obtain feedback on the complete list major issues and alternatives;
  - draft proposals with issues and alternatives for wider AOSSG membership to select preferred alternative views/options and provide feedback;
  - contact countries or jurisdictions directly where issues thought to be prevalent to obtain their views;
  - collate responses and discuss;
  - where feasible, organise attendance and participation at IASB roundtables or outreach sessions in the region; and
  - prepare final submission, clearly identifying proposals with unanimous support and for others, identifying how many countries or jurisdictions support each alternative/option and send to the secretariat.
- (c) Promoting consistent application of IFRS by jurisdictions in the region, by identifying AOSSG member's implementation and other practice issues and communicating to the IASB**
- include identification of implementation and practice issues as standing agenda items for all meetings, in the following categories
    - issues that could require the IASB to undertake standard setting activities in accordance with the 'Identification of Matters' section of the IASB and IFRS Interpretations Committee Due Process Handbook;
    - issues that would benefit from the IASB providing more education materials; and
    - issues that can be resolved at AOSSG level;
  - invite IASB staff and board members to WG or SWG meetings to discuss implementation issues, and post implementation review (PIR) requests by the IASB at least annually;





- identify outreach activities being conducted by AOSSG members on implementation issues and collate issues for communication to the IASB. The WG leader is not expected to organize these activities, merely identify when they have been organized and the outcomes;
- share practice issues and possible solutions with all members of AOSSG (these do not have any authoritative status); and
- other processes the WG leader considers appropriate for collating issues for communication to the IASB or within AOSSG to help address implementation issues. The WG leader may request jurisdictions to provide specific feedback on a topic, upon request from the IASB.

**(d) Proactively identifying issues the IASB should be including on their work program and conducting relevant research to support the AOSSG proposal**

- identify relevant research on future IASB topics being considered/conducted by AOSSG members as standing agenda item;
- identify any projects AOSSG should promote to the IASB;
- prepare draft proposal for discussion with the secretariat and CAC, including need for further research;
- finalise draft proposal and send to the secretariat for circulation to AOSSG members;
- collate responses and discuss; and
- finalise proposal and send to the secretariat for circulation to the IASB.

**(e) Prepare briefing notes for AOSSG representative on Accounting Standards Advisory Forum (ASAF)**

- identify major issues and options/alternatives with ASAF papers, and seek WG or SWG member feedback; and
- collate responses and provide to the secretariat.

***WG Members with Alternative Views***

Final submissions are unlikely to achieve unanimous support, given the range of WG members' circumstances. However, it is important for the submission to identify the major issues/concerns with the proposal, the differing views on these issues (if any) and how many countries or jurisdictions support each alternative view/option.

Individual WG members are also encouraged to present their views to the IASB separately.