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Last year China, Japan and Korea initiated the idea of forming a group of Asian-Oceanian standards setters as a forum for the countries in the region to exchange their ideas but also to have a joint voice in matters relating to International Financial Reporting Standards (IFRSs). The group's first meeting took place Beijing in April this year.

'There was a need to create a forum to discuss common issues', said Dato' Zainal Abidin Puthi, Immediate Past President of the Malaysian Accounting Standards Board, (MASB). 'There are currently two blocs, Europe and the US', commented Jeff Lucy, Chairman of the Australian Financial Reporting Council, 'and they don't always agree. Having another group presenting their thoughts will be an advantage'.

The Asian-Oceanian Standards Setters Group (AOSSG), as it is known, had a first preparatory meeting in Beijing in April this year. 'It was initiated originally by China, Japan and Korea', said Zainal Abidin Puthi. 'They came together in the fourth quarter of last year to talk about things and thought that the whole of Asia and Oceania should come together. It is one region and everyone has common interests'. From there it was a short step to the Beijing meeting, which was sponsored by eleven jurisdictions from the region and attended by representatives of Brunei, China, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Hong Kong, Macau and Australia. Several board members of the IASB, including Sir David Tweedie, also attended the meeting. 'It was good for the IASB to listen to what people in this region had to say, to understand and hear what we want to achieve', said Zainal Abidin Puthi.



Related information

- For more information about the AOSSG email:
Tan Bee Leng, Secretariat,
beeleng@masb.org.my
- Jeffrey Lucy
Chairman, Financial Reporting Council (Australia) and current Trustee of the IASC Foundation.
[Read a short interview here](#)
- Zainal Abidin Puthi
Immediate Past President of the Malaysian Accounting Standards Board
[Read his biography](#)

There is an obvious need for such a group as AOSSG. 'In my view', said Lucy, 'it is important that the IASB hears a clear message from the region given its significant and increasing importance in the world economy. This also corresponds with a significant and increasing importance of financial reporting to a region that is a major supplier of much of the funds to world capital markets, and an increased focus of financial reporting in our own region'.

The objectives

Asia-Oceania has seen its share of global GDP rise from under 27% in 2004 to an estimated 30% in 2009 and this share is expected to rise to almost 34% by 2014. Lucy stressed the economic significance of the region. 'It presents a great opportunity for the IASB', he said. 'There will be two-way communication. We feel we are not communicating as effectively as we should', he said. 'We are not looking at things collectively. We need to combine our thinking and input it to the IASB'.

Making the messages more effective is a central goal. 'There are between 60 and 70 countries in the region', said Zainal Abidin Puthi. 'With one common forum we will enable the IASB to understand the region. We will moderate the views. At the moment with all these countries putting their views to the IASB separately, it receives a bewildering range of views', he said. 'Creating a consensus view for the region will not be easy but countries will understand that we can take neither the route of the lowest common denominator, nor of the highest hurdles. The aim of the Asian-Oceanian Standards Setters Group is to ensure that all the economies of Asia-Oceania will benefit from this joint effort. 'Japan is a very wealthy country', said Zainal Abidin Puthi, 'China is a huge country. But there are many much smaller countries. We need to roll out standards to all countries', he said. 'But how do you make a single global standard when every country is not the same height so to speak? That there is a good conceptual understanding and that people do not feel left out – that is one of our basic goals', he said.

For Jeff Lucy there are three basic issues that the group will address. The first is 'the direct and appropriate influence we can provide into the IASB on technical and operational issues, including governance'. The second is 'the benefits that will be obtained by each jurisdiction, simply through the processes of dialogue, and working with colleagues from other jurisdictions who bring to the collective table, ideas and thought leadership, which becomes valuable to all participants', and the third is 'the possible support mechanisms we can provide

for countries which lack direct IFRS experience at operational levels within politics and the financial market'.

Bringing the region together

Lucy added: 'We need to work more closely together in this region'. The encouragement of greater cooperation is at the heart of that. 'I intend to host a meeting of the Asia-Oceania trustees before the next meeting of the IASB trustees', he said. 'We should be talking more amongst ourselves to help ourselves to be more effective and to help the IASB to be more effective'. He took pains to stress the supportive nature of the AOSSG initiative. 'I emphasise that this is not something that we are doing to Sir David Tweedie and the trustees', he said. 'We are doing it for Sir David Tweedie and the trustees. It is a positive initiative'.

Certainly as AOSSG moves forward to its first full meeting in Malaysia on the 4th and 5th of November this year, the mood is positive. 'I think that if we set it up the best we can, it will create a basic model', said Zainal Abidin Putih, 'with the hope that as time goes on and countries become more prosperous it will develop'. He stressed its importance in creating coherence for a huge region of the world. 'Asia will fulfil its economic potential', he said. 'We need a very good grasp of the potential of the whole region and have standards engrained now'.

The objective of this first forthcoming meeting is to establish and agree a constitution and then to discuss and to provide input on several of the most central and contentious accounting standards. The discussions will include fair value measurement, the presentation of financial statements and revenue recognition as well as, inevitably, IAS 39. 'It is already on the plate' said Zainal Abidin Putih, 'and by November it will be a big thing to chew'.

However, the most important objective will simply be to bring so many different standard-setting bodies together from around the region. Jeff Lucy looked at the common ties which bind them together. 'Each country has differing structures and backgrounds and each is at different points of its IFRS journey but all share many of the following key characteristics: not all are independent from the accounting profession', he said, 'several operate in an environment of full IFRS adoption, several operate in an environment of IFRS convergence, many are focused on IFRS implementation issues and most, if not all, appear adequately funded and resourced'.

While that is a good place to start most important for Lucy is something else. 'Perhaps most pertinent', he said, 'is that in my view, the individual standard setting boards are made up of professional and competent persons who have a passion for the setting of the best and most relevant international accounting standards possible'.

Robert Bruce

The views expressed in this article are those of the author and do not represent the views of the IASB Foundation or the IASB.