

## The 5<sup>th</sup> International Financial Reporting Standards Regional Policy Forum 2011

### Communiqué

Bali Indonesia, 24 May 2011

The Indonesian Institute of Accountants hosted the 5<sup>th</sup> IFRS International Forum in Kuta, Bali on the 23<sup>rd</sup> and 24<sup>th</sup> of May 2011. This international event has previously been held in Sydney, Tokyo, Beijing, and Singapore and in 2011 was held in Bali with 300 participants from 21 jurisdictions in the Asia-Oceania region. The event was inaugurated by the Vice President of the Republic of Indonesia, Prof. Dr. Boediono, accompanied by the Vice Finance Minister of the Republic of Indonesia, Dr. Anny Ratnawati, Prof. Dr. Mardiasmo (Chairman of Indonesian Institute of Accountants), Mr. Ito Warsito (Chairman of the 5<sup>th</sup> IFRS Regional Policy Forum Steering Committee), and Mr. Jeffrey Lucy (Trustee Member of IFRS Foundation).

Participants from 21 jurisdictions represented the constituent bodies of accounting standards setters, central banks, money market regulators, tax regulators, government and stock exchanges. The 21 jurisdictions delegates attending this forum were Australia, New Zealand, Malaysia, Japan, China, Hong Kong, Singapore, Korea, Pakistan, Cambodia, India, Indonesia, Philippines, UK, USA, Iraq, Macau, Myanmar, Brunei Darussalam, Thailand and Maldives. Chairman of IASB Sir David Tweedie as well as other IASB Members, Warren McGregor and Tatsumi Yamada also attended this event.

Many jurisdictions in the Asia-Oceania region will be converging with the International Financial Reporting Standards (IFRS) over coming years. Some jurisdictions have already adopted the IFRS since 2005, while others such as Malaysia, Indonesia and Singapore have set the year 2012 as the target year for the full adoption/convergence of IFRS. The 2011 Year is the crucial year for these jurisdictions moving to IFRS, as it is the year of final

preparation. Accordingly, regulators and accounting standard setters in the region face challenges in adopting the international standards.

IFRS Regional Policy Forum was intended to bring together policy makers, regulators and national standards setters from jurisdictions in different stages of their IFRS adoption roadmap to share and learn from one another's experiences in adopting the global standards, both the challenges faced and in taking advantage of opportunities offered.

### Forum Theme and Agenda

In recognition of the rising concerns among stakeholders in Asia-Oceania region regarding IFRS adoption, the forum was themed: *Towards One Global Standard: The Challenges and Opportunities of IFRS Adoption in the Asia-Oceania Region*. 31 speakers and moderators from 16 jurisdictions as well as active participation from all delegates discussed several issues as follows:

1. The progress with IFRS Convergence in major Asia-Oceania Economies (Indonesia, Japan, South Korea, and India), including the challenges and the opportunities arising. The forum also discussed the important role of local standard setter boards in the jurisdictions adopting IFRS through enhancing collaboration and shaping the development of IFRS.
2. The update on the current active projects of IASB, especially those that bring great impact to the Asia-Oceania region. The Forum discussed the progress of IASB projects on Financial Instruments, Leases, Revenue and insurance Contract.
3. How capital market regulators or financial services regulators play an increasingly important role in supporting IFRS adoption.
4. The challenges and the opportunities of IFRS adoption by the preparers of financial statement.
5. Working with tax authorities to ensure that taxation law and financial reporting requirements are complimentary.

6. The opportunities and challenges of IFRS adoption/convergence for auditors, including for their mobility and also for the preparation on auditing standards relevant to IFRS based companies.
7. The Strategy Review Document recently issued by the IFRS Foundation to improve the governance in IASB decision making.

The presentations and panel discussions brought insightful comments and highlighted the importance of benchmarking, and collegial work among standards setters and other regulatory bodies as well as with the auditing profession to support the IFRS adoption effort in the region.

### Outcomes

1. Participants reaffirmed their commitment to the goal of ultimate adoption of IFRS and to achieve one global set of high quality accounting standard.
2. Participants agreed that this goal may need to be facilitated through a process of convergence.
3. Participants agreed that the accounting standard setters in Asia-Oceania region need to work together more closely to increase the regional voice and concerns. The Asia Oceania Standard Setters Group would be an excellent forum for standard setters in the region to deliberate common issues in the regional market place.
4. Participants agreed that local standard setter bodies will play a more important role as partner of IASB by proactively providing advice to the IASB of local issues and concerns.
5. Participants agreed that the voice of Asia Oceania region should be increasingly important in shaping the future of IFRS.
6. Participants share the similar concern that IFRS adoption is not just an accounting issue. To implement IFRS successfully, the support of the Government and other regulatory and policy bodies is critical.

7. Participants shared the similar concern of the increasing awareness among investors demanding IFRS based financial statement. This investor demand is important especially for companies seeking global capital investor.
8. All participants agreed that it is very important that Taxation Law takes account of IFRS.
9. The delegates also acknowledged the success of the 5th IFRS Regional Policy Forum, including the leadership and professionalism of the administration provided by the Indonesian Institute of Accountants.

The two day forum ended with a firmer commitment among participants to increase their efforts in the IFRS adoption process. All participants look forward to the next IFRS Regional Policy Forum to be held in Malaysia next year.

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