

INTERNATIONAL FINANCIAL REPORTING STANDARDS REGIONAL POLICY FORUM

Commuqué

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The Ministry of Finance of the People's Republic of China (thereafter the MoF) hosted 2009 International Financial Reporting Standards (IFRS) Regional Policy Forum in Beijing on April 16, 2009. About 80 participants from Australia, Brunei, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Singapore, China, Hong Kong SAR and Macau SAR attend the Forum. The participants included senior representatives of accounting standard setters, professional accounting bodies, central banks, financial oversight bodies and government officials. Mr. Wang Jun, Vice-Minister of the MoF, Mr. Geoff Miller, General Manager, Australian Treasury, Sir David Tweedie, Chairman of International Accounting Standards Board, two Board members and one Director attended the forum.

On 2 April 2009, the G20 London summit was held. Since the outbreak of the financial crisis, many issues have aroused great attention. Those of special interest to participants, include:

- reduce the complexity of accounting standards for financial instruments,
- strengthen accounting recognition of loan-loss provisions by incorporating a broader range of credit information,
- improve accounting standards for provisioning, off-balance sheet exposures and valuation uncertainty,
- achieve clarity and consistency in the application of valuation standards internationally, working with supervisors,
- make significant progress towards a single set of high quality global accounting standards,
- within the framework of the independent accounting standard setting process, improve involvement of stakeholders, including prudential regulators and emerging markets, through the IASB's constitutional review.

Convening the Forum shortly after the G20 summit is of great significance to explore the relationship of the financial crisis and accounting, discuss further actions to be taken in the region to overcome the crisis, as well as promote cooperation amongst regional accounting standards setters and related regulators and supervisors.

Forum Sessions

Participants of the Forum considered:

- the relationship of the global financial crisis and the financial reporting framework;
- the actions taken by jurisdictions in the region in response to the financial crisis;

- international convergence and regional influence in the international standards setting environment;
- financial reporting requirements for non-publicly accountable entities and progress in eXtensible Business Reporting Language (XBRL).

These sessions highlighted the far-reaching impact of the financial crisis on the global economy and accounting, as well as the significance of a single set of high quality global accounting standards. They also indicated the importance of taking into full account the realities and opinions of different regions through the global convergence of accounting standards.

Participants shared views on the issues relating to the financial crisis and its impact, as well as actions already taken and plans for the future in various countries and regions to address the crisis, addressed the significance of establishing a cooperation mechanism between regional standards setting bodies, and discussed the financial reporting requirements for non-publicly accountable entities and the development of XBRL.

Outcomes

1. Participants expressed their appreciation for the actions of IASB in response to the financial crisis, and agreed to further strengthen cooperation to improve the current system of IFRSs.
2. Participants confirmed that the objective of financial reporting is to improve the quality of information available for capital providers so as to enhance the operation of the world's capital markets.
3. Participants agreed that the establishment of a single set of high quality global accounting standards is an important ingredient in a well-informed market that would assist in the prevention of financial crises and the development of the global economy; countries and regions should actively promote their own accounting standards to converge with the IFRSs, with the aim ultimately of adopting the IFRSs.
4. Participants agreed that the accounting standards setting bodies should strengthen cooperation with the relevant regulators and supervisors in coordinating the accounting standards with related regulatory requirements, and to promote consistent implementation of accounting standards.
5. Participants agreed that in the development of the IFRSs the realities and opinions of different regions should be given due consideration. It is critical to intensify cooperation among the regional accounting standards setting bodies and to set up a corresponding mechanism for the region to make contribution to the development of the IFRSs.
6. Participants agreed that the next IFRS Regional Policy Forum will be hosted by Singapore.