

# **Role of regional organisations in contributing to the ASAF**

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## I. ASAF's role and membership

- Support the Foundation in its objectives...
- Formalise and streamline the IASB's collective engagement with the global community of NSSs and regional bodies in its standard setting issues **to ensure that a broad range of national and regional input on major technical issues related to the IASB's standard setting activities are discussed and considered**
- Facilitate effective technical discussions primarily on the IASB's work plan and other major issues

\*Source: ASAF: Memorandum of Understanding

## I. ASAF's role and membership; cont.

### Regional organisations to:

- **better coordinate regional accounting standard setting activities**
- provide jurisdictional advice on financial reporting matters

- The ASAF membership includes:
  - **AOSSG** (Asia-Oceania Standard Setters Group)
  - **EFRAG** (European Financial Reporting Advisory Group)
  - **GLASS** (Group of Latin American Standard Setters)
  - **PAFA** (Pan African Federation of Accountants)

## II . Representation of regional organisations

### Concerns raised\*

- Whether regional organisations properly represent NSSs
  - encompass **too diverse a range of jurisdictions**
  - are **not properly set up to have a representative function**
  - are not suitable because they did not set standards and carried out different roles
- Involvement of a regional body **needs empowerment by all NSSs involved**
- While regional bodies may develop, they **cannot displace major NSSs** as key partners

\*Source: Feedback Statement-Proposal to establish an ASAF

## II . Representation of regional organisations; cont.

### How to integrate diverse views in the region

- AOSSG's ASAF Working Party (ASAF WP):
  - to keep the AOSSG representative well briefed
  - to enable the representative to provide relevant input from the region

### ASAF Working Party

- Leader's role: **facilitate coordination** within the ASAF WP
- AOSSG Working Group leaders = members of the ASAF WP
  - ✓ WG on Financial Instruments, Fair Value Measurement, Revenue, Financial Statement Presentation, Leases, Insurance, etc.
- individual ASAF WP members: **respond to requests for views** from the ASAF WP leader

## II . Representation of regional organisations; cont.

### Challenges

- Asia-Oceania region is **too great in area and population** for one ASAF WP leader
- **Two-year rotation for the ASAF WP leader**
  - No time to build up IFRS related expertise
  - Varying level of coordination or leadership by different ASAF WP leaders

## II . Representation of regional organisations; cont.

### Suggestions

- **Collective representation:** all ASAF members from the region
  - Convey regional issues to the ASAF
  - Have a chance to know other jurisdictions' issues or concerns from the discussions within the regional body
  - **Work collectively** including the WP leader

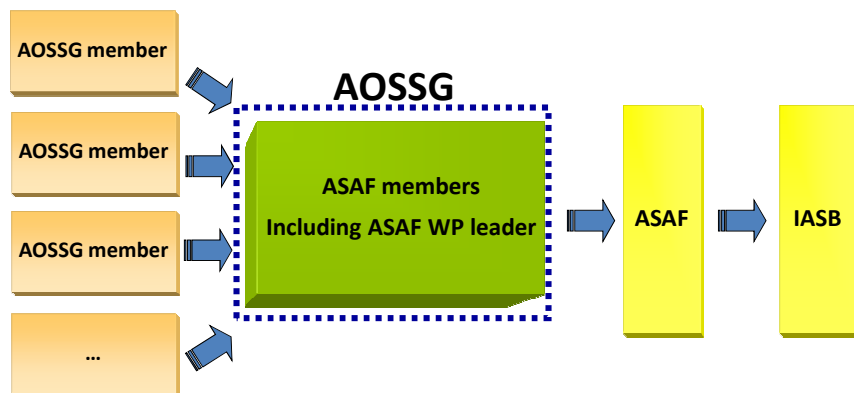
## II . Representation of regional organisations; cont.

### Suggestions; cont.

- **The role of Working Group leaders is important**
  - WGs should be ready to respond to requests for views on technical agenda
- **Responsibilities may be divided** among ASAF members
  - Eg) by regions, projects, interests, etc.

## III . Role of regional organisations

**Regional organisations**  
= Hub for coordinating input from the region to the ASAF



### III . Role of regional organisations; cont.

#### Focus efforts on:

- **Research and agenda-setting**
  - undertake joint research projects in partnership with NSSs
    - ✓ Take advantage of similarities between jurisdictions within the region
    - ✓ Pool together technical skills and resources
    - ✓ Seek balanced views but avoid jurisdictional bias
  - Provide the IASB with inputs from research results

### III . Role of regional organisations; cont.

- **IFRS Implementation I – interpretation/guidance**
  - Communicate **emerging issues** among the regional body members
  - If a widespread issue, **work together with the IFRS Interpretations Committee**
    - ✓ Asia-Oceania Office in Tokyo
  - ASAF members and the IASB could work together **to resolve the regional issue in a timely manner**
  - In rare cases, if the issue affects only one jurisdiction, the NSS's own guidance may be issued after IFRS IC consultation

### III . Role of regional organisations; cont.

- **IFRS Implementation II**
  - **Post-implementation reviews and field tests**
    - ✓ Facilitate due process and coordination between members and the IASB
- **Communication with local constituents**
  - Communicate standard-setting information,
  - Encourage to provide their views on IASB deliberations, and
  - **Hold conferences** in the region with IASB personnel

### III . Role of regional organisations; cont.

- **Communication with other regional organisations**
  - Enhance dialogue with other regional bodies
    - ✓ to understand similarities and differences
  - Establish effective communication channels with other NSSs outside own regions

## IV. Role of non-ASAF national standard setters

- **Direct involvement in IFRS setting process is a ‘must’**
- **Cooperation with ASAF members**
  - **Formulate a regional view by developing a consensus**
    - ✓ Greater contribution to the IASB’s due process
  - **Keep up with current issues** of the ASAF and IASB
  - Raise any jurisdictional issues **through regional bodies**

## V. IFASS and national standard setters

- **IFASS is an expansion of regional organisations in a broad sense**
  - Not much difference in their major roles
- **Making contributions to standard-setting process**
  - Understand other jurisdictions’ issues or concerns through discussions
  - Share research outputs from national standard setters
  - Enhance knowledge in standard-setting processes



**Thank you**