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International Standards of Accounting and Reporting  
Twenty-fifth session  
Geneva, 4–6 November 2008

## Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its twenty-fifth session

Held at the Palais des Nations, Geneva, from 4 to 6 November 2008

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\* ISAR documents were previously issued under the symbol TD/B/COM.2/ISAR/...

## I. Agreed conclusions

### **Review of practical implementation issues of international financial reporting standards**

1. At its twenty-fifth session, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) conducted a review of issues that arose in the practical implementation of international financial reporting standards (IFRS). In the course of its deliberations on this agenda item, ISAR discussed country case studies of Egypt, Poland, Switzerland, and the United Kingdom of Great Britain and Northern Ireland. ISAR also reviewed a study on the practical challenges and related considerations in implementing international standards on auditing (ISAs). The case studies illustrated a variety of approaches that different countries were taking to implement IFRS and ISAs. Panel discussions on this topic facilitated consideration of the agenda item.

2. The deliberations of ISAR on this agenda item highlighted a number of technical and institutional challenges that arose in the practical implementation of IFRS. Participants exchanged views on lessons learned that were illustrated in the case studies. Delegates expressed appreciation for the high quality of the panel discussions and the case studies presented.

3. ISAR expressed its appreciation to the UNCTAD secretariat for finalizing the publication *Practical Implementation of International Financial Reporting Standards: Lessons Learned* (UNCTAD/DIAE/ED/2008/1), which ISAR had requested at its twenty-fourth session. ISAR recommended wider dissemination of the publication. In concluding its deliberations on this topic, ISAR requested the UNCTAD secretariat to continue conducting studies on practical implementation for IFRS and ISAs.

### **Accounting and Financial Reporting Guidelines for Small and Medium-sized Enterprises (SMEGA): Level 3 guidance**

4. In accordance with the agreement reached at the twenty-fourth session of ISAR on updating ISAR's "Accounting and Financial Reporting Guidelines for Small and Medium-sized Enterprises (SMEGA) – Level 3 guidance" (TD/B/C.II/ISAR/50), the twenty-fifth session of ISAR reviewed a revised version of SMEGA Level 3 guidance, which the UNCTAD secretariat presented for consideration by the session. Delegates welcomed the revisions proposed and requested the UNCTAD secretariat to finalize publication of the document and disseminate it widely. Furthermore, delegates requested the UNCTAD secretariat to compile feedback on practical implementation of the revised SMEGA Level 3, which member States would send in the coming years. Such feedback could be utilized for revising the document at an appropriate time in the future.

### **Capacity-building in corporate accounting and reporting**

5. At the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII), which took place in Accra, Ghana, in April 2008, member States requested the organization to assist developing countries and countries with economies in transition with implementing international accounting and reporting standards and codes. In this context, at the twenty-fifth session of ISAR, delegates deliberated on the growing demand for technical and institutional capacity-building in the areas of financial reporting, auditing, corporate governance disclosure and corporate reporting. The needs of small and medium-sized enterprises for technical assistance in the areas of accounting and financial reporting were also discussed.

6. The session noted the institutional framework of UNCTAD for technical cooperation as part of the three pillars of UNCTAD's work – policy analysis, intergovernmental deliberations and operational activities. Delegates agreed to communicate to the UNCTAD secretariat requests for technical cooperation in the areas that ISAR dealt with, with a view to addressing such requests through bilateral or multilateral technical cooperation projects.

### **High-level segment: Financial stability and international standards of accounting and reporting**

7. In commemoration of the twenty-fifth anniversary session of ISAR, a high-level segment addressed the positive contribution of international accounting and reporting standards and codes to financial stability and economic growth. The deliberations underscored the importance of high-quality accounting and reporting standards for enhancing transparency in corporate reporting. Delegates noted with concern the negative impact of the unfolding credit crisis on investors' confidence. The session called for concerted efforts by all parties involved in the corporate reporting supply chain to restore users' confidence in the international financial reporting architecture. Delegates agreed on the need for further consultations and deliberations on the implications of the credit crisis for corporate financial reporting vis-à-vis financial stability challenges. In this context, ISAR requested the UNCTAD secretariat to organize in the coming months a special meeting dedicated to addressing these matters.

8. During the ISAR Chairpersons Roundtable, which was specially organized to commemorate the twenty-fifth anniversary session of ISAR, experts agreed on the need for a small group that would provide advisory support to the UNCTAD secretariat on an ongoing basis. The session requested the UNCTAD secretariat to provide the necessary arrangements to establish such an advisory group. Furthermore, the session noted the growing interest among member States in International Public Sector Accounting Standards (IPSAS). It requested the UNCTAD secretariat to explore possibilities for integrating deliberations on practical implementation of IPSAS in the UNCTAD institutional framework. Delegates requested the UNCTAD secretariat, in cooperation with the IPSAS Board, to organize technical capacity-building workshops and seminars with a view to assisting member States in implementing IPSAS.

### **Corporate governance disclosures and corporate responsibility reporting**

9. ISAR reiterated the importance of corporate governance disclosure and corporate responsibility reporting for meeting the increasing information demands of various stakeholders and promoting investment, stability and economic growth. ISAR recognized the increasing integration of social and environmental issues into the broader corporate governance framework, and further recognized that high-quality reports on environmental, social and governance issues (a) added value for policymakers, shareholders and other stakeholders; and (b) promoted more stable and sustainable economic development.

10. In accordance with the agreed conclusions of its twenty-fourth session, ISAR at its twenty-fifth session considered the results of the annual review of corporate governance disclosure contained in the "2008 Review of the implementation status of corporate governance disclosures: an examination of reporting practices among large enterprises in 10 emerging markets" (TD/B/C.II/ISAR/CRP.1). ISAR commended the survey for its quality and noted that it helped to build on ISAR's earlier work in this area, by comparing the actual

disclosure practices of enterprises with national disclosure requirements. ISAR requested that UNCTAD continue to carry out such studies, in partnership with local institutions wherever possible, and with a focus on providing practical information to policymakers, investors and other stakeholders.

11. ISAR commended the secretariat for its document “Guidance on corporate responsibility indicators in annual reports” (TD/B/COM.2/ISAR/41), which had been noted with appreciation by UNCTAD’s Commission on Investment, Technology and Related Financial Issues (whose mandate was later transferred to the Investment, Enterprise and Development Commission).

12. In accordance with the agreed conclusions of its twenty-fourth session, ISAR at its twenty-fifth session considered the results of an annual review of corporate responsibility reporting contained in the “2008 Review of the reporting status of corporate responsibility indicators” (TD/B/C.II/ISAR/CRP.2). ISAR agreed that the report provided practical feedback on the status of corporate responsibility reporting around the world. ISAR also considered the report “2008 Review of the corporate responsibility performance of large emerging market enterprises” (TD/B/C.II/ISAR/CRP.3). That document was welcomed for its insight into investment analysis methodologies that considered environmental, social and governance issues, especially as those issues were reflected in company reports. ISAR agreed that UNCTAD should continue to work with members of the investment analysis community and other experts with a view to providing better understanding of the relationship between investment, particularly in developing countries, and the disclosure practices of enterprises on environmental, social and governance issues.

13. ISAR welcomed the signing of a memorandum of understanding between UNCTAD and the Global Reporting Initiative, and encouraged cooperation on the promotion and practical implementation of voluntary sustainability reporting guidelines. ISAR agreed that UNCTAD should conduct further studies on the voluntary use of corporate responsibility reporting frameworks around the world, taking into account the work of other initiatives.

## **II. Opening statements**

1. In his opening remarks, Mr. Habib Ouane, Director of the Division for Africa, Least Developed Countries and Special Programmes (ALDC), observed that the twenty-fifth session of ISAR marked a special anniversary for this unique forum in the United Nations system. He noted that since ISAR’s creation by the United Nations Economic and Social Council in 1982, the group of experts had provided the United Nations’ unique contribution to ongoing global debates on corporate accounting and reporting standards. He welcomed the special events organized for the twenty-fifth anniversary session, including a special Chairpersons Roundtable focused on the past, present and future of ISAR. He also welcomed the convening of a high-level segment that would include the Secretary-General of UNCTAD and a number of vice-ministers and other senior dignitaries from around the world. Finally, he noted the specially organized panel on capacity-building and welcomed the effort of the group of experts to work with development partners to assist developing countries in building the technical capacity and institutions needed to implement quality corporate reporting.

2. The Director also highlighted the key agenda item of the meeting: the review of practical implementation issues of International Financial Reporting Standards (IFRS). He welcomed ISAR’s efforts to address the special needs of SMEs within its broader work on IFRS implementation. Noting the significant economic contribution of small and medium-sized enterprises (SMEs) to the development of

member States, he expected the work of the group of experts to be of great practical assistance in the production of simple, yet high-quality financial reports for SMEs. He also highlighted the group's work on corporate governance disclosure and corporate responsibility reporting. He observed that investors put increasing value on the environmental, social and governance (ESG) aspects of enterprises and see these areas as interrelated subjects that reflect on the long-term sustainability of an enterprise. He commended the group of experts for its forward-looking work in this area and its annual reviews that provided an important means of identifying new trends in this area, and gauging the progress of enterprises and regulators in their promotion of good practices in non-financial corporate disclosure.

### **III. Chair's summary**

#### **A. Review of practical implementation issues relating to international financial reporting standards**

(agenda item 3)

3. The Chair of the session invited a member of the UNCTAD secretariat to introduce the main agenda item of the session. In his introductory remarks, the representative of the UNCTAD secretariat noted that ISAR had been working on the topic in view of the widespread adoption of IFRS in recent years. At its twenty-second session, ISAR had deliberated on a note prepared by the UNCTAD secretariat (TD/B/COM.2/ISAR/28). The note highlighted major practical implementation issues pertaining to institutional and regulatory arrangements, enforcement mechanisms, technical issues and capacity-building aspects of practical implementation of IFRS. On the basis of this framework, country case studies of Brazil, Germany, India, Jamaica and Kenya had been prepared and considered at the twenty-third session of ISAR. He further noted that country case studies of Pakistan, South Africa and Turkey had also been discussed at the twenty-fourth session of ISAR.

4. In concluding its twenty-fourth session, ISAR had requested the UNCTAD secretariat to prepare a publication that synthesized the lessons learned in the practical implementation of IFRS by reviewing the country case studies that the group of experts had discussed at its twenty-third and twenty-fourth sessions. Accordingly, the UNCTAD secretariat had prepared the publication *Practical Implementation of International Financial Reporting Standards: Lessons Learned*. Copies of the publication were available in the meeting room.

5. Turning to background documentation for the twenty-fifth session, the representative of the UNCTAD secretariat drew delegates' attention to four country case studies on practical implementation of IFRS – covering Egypt, Poland, Switzerland, and the United Kingdom of Great Britain and Northern Ireland – which were circulated with symbols TD/B/C.II/ISAR/45–48, respectively. He also indicated that a study on the practical challenges and related considerations in implementing international standards on auditing (ISAs) had been circulated with the symbol TD/B/C.II/ISAR/49. Following the introductory remarks, a panel of speakers made presentations on the main findings of the studies noted above.

6. The speaker who presented the case study of Egypt elaborated on the approach the country had taken to implementing IFRS. In 2006, the country issued Egyptian Accounting Standards based on IFRS as issued by the International Accounting Standards Board (IASB) in 2005. Egypt had also issued auditing standards based on ISAs. The speaker discussed certain differences between Egyptian Accounting Standards and IFRS including: depreciation of property, plant and equipment;

disclosure in the financial statements of banks and similar financial institutions; and leasing operations. The speaker highlighted translation of IFRS into Arabic as one of the practical implementation challenges in Egypt. This was particularly acute in keeping up with frequent changes in IFRSs. He discussed the regulatory framework in Egypt in the context of implementing international standards in accounting and auditing. He shared with delegates a number of lessons learned from the experience of Egypt pertaining to training and education, enforcement, professional code of ethics, and amendments to some laws and regulations.

7. The next speaker presented a case study of Poland. She described the country's experience in transitioning to a market economy and developments following the transition that affected accounting standards-setting in Poland. In 2004, Poland became a member of the European Union and as a result the country had to comply with European Union Directive EC No. 1606/2002 requiring application of IFRS endorsed for use in the European Union. She presented the main findings of a study that looked into reconciliations of financial statements prepared by Polish companies when they had prepared their first set of financial statements under IFRS. Those findings underscored – as part of the implementation process – the need for providing investors, analysts and other market participants with adequate information to help them understand the difference between financial statements prepared under national accounting standards and those prepared under IFRS.

8. The next presentation was on a case study of Switzerland. The speaker provided background information on the legal framework and related accounting and financial reporting requirements of Switzerland. He continued his presentation with an elaboration on audit requirements, including ordinary audit, limited statutory audit and exemption. The speaker concluded his presentation by highlighting revisions on Swiss company and accounting legislation that were expected to occur in coming years.

9. This was followed by a presentation of the case study of United Kingdom of Great Britain and Northern Ireland. The transition to IFRS started in the United Kingdom in 2005, with the 1,200 companies listed in the London Stock Exchange. The overall assessment on IFRS implementation was that the process had been challenging and the experience of IFRS application continued to improve.

10. Another panelist discussed the study on practical challenges in implementing ISAs issued by the International Auditing and Assurance Standards Board (IAASB). In his update on the Clarity Project of the IAASB, the speaker indicated that 39 ISAs written in the new clarity style would be completed by December 2008.

11. The next speaker addressed practical implementation of IFRS from the perspective of the IASB. In addition to some 113 countries and jurisdictions that permitted or required use of IFRS, many others – such as Brazil, Chile, Canada, India, the Republic of Korea, and Malaysia – had committed to implementing IFRS in the period leading to 2012. Others – such as China, Japan, Mexico, the Philippines, Singapore, and the United States of America – had committed to converging their national standards to IFRS.

12. After those presentations, the Chair of the session opened the floor for discussion. Some delegates elaborated on the status of IFRS implementation in their respective countries. Others clarified the approaches that their respective countries had taken to implementing IFRS.

13. In concluding their deliberations on this agenda item, delegates expressed their appreciation to the UNCTAD secretariat for finalizing the publication *Practical Implementation of International Financial Reporting Standards: Lessons Learned*, which ISAR had requested at its twenty-fourth session. They recommended wider

dissemination of the publication. They also requested the UNCTAD secretariat to continue conducting studies on practical implementation of IFRS and ISAs.

## **B. Accounting by SMEs: SMEGA Level 3 Guidance**

(agenda item 4(a))

14. After a brief introduction of the agenda item, the Chair of the session invited a representative of the IASB to provide delegates with an update on the accounting standard for SMEs (IFRS for SMEs) that the IASB had been developing. The IASB representative presented a comprehensive update on the status of this IASB project and also discussed remaining steps. In comparison to the ISAR approach to accounting by SMEs, the IFRS for SMEs was aimed at Level 2 enterprises. Following the exposure draft and field-testing of the IFRS for SMEs, the IASB was in the process of re-deliberating the standard. Some of these issues pertained to (a) making the standard fully stand-alone; (b) naming the standard; (c) anticipating changes to the full IFRS; (d) deciding whether historical cost should be the default basis of measurement; (e) fair value; (f) consolidation; (g) amortization of goodwill; (h) impairment; (i) income taxes; (j) operating leases; (k) pensions; (l) share-based payment; and (m) debt equity classification and further simplifications on disclosure requirements.

15. The speaker advised delegates that the International Accounting Standards Committee Foundation (IASCF) was in the process of developing training materials for the IFRS for SMEs. The material would have 38 modules corresponding to the 38 sections of the IFRS for SMEs and would be available after mid-2009. The training material would be available in multiple languages free of charge and the IASCF would train trainers.

16. The Chair introduced a panel of experts comprised of members of the consultative group tasked with finalizing the publication *Accounting and Financial Reporting Guidelines for Small and Medium-sized Enterprises (SMEGA): Level 3 Guidance* by incorporating amendments suggested at the twenty-fourth session of ISAR. The Chair of the consultative group informed delegates that the document TD/B/C.II/ISAR/50 contained revised SMEGA Level 3 Guidance. He indicated that limited changes were made to the version of the document presented at the previous session. The main change was the introduction of an optional cash-flow statement as agreed at the twenty-fourth session of ISAR.

17. Following the presentation, several delegates provided comments and raised questions. These pertained to the formats of illustrative financial statements provided in the document and historical cost-based measurement. The Chair of the consultative group informed participants that formats provided in the document were meant for illustrative purposes. He also informed delegates that the measurement base in SMEGA Level 3 was historical cost, since SMEs were very likely to find it easier to apply.

18. In concluding their deliberations on this item, delegates welcomed the revisions proposed and requested the UNCTAD secretariat to finalize publication of the document and disseminate it widely. Furthermore, delegates requested the UNCTAD secretariat to compile feedback on practical implementation of the revised SMEGA Level 3, which member States would send in the coming years. Such feedback could be utilized for revising the document at an appropriate time in the future.

### **C. Accounting and reporting capacity-building requirements**

(agenda item 4(b))

19. The Chair introduced the agenda item and gave the floor to a member of the secretariat to outline UNCTAD's work on capacity-building in the area of corporate transparency and accounting. The secretariat's presentation provided some broader context of UNCTAD's work on technical cooperation projects, reminding the delegates that such technical cooperation was one of the three pillars, or core areas, of UNCTAD's work. The secretariat noted that member States had called on UNCTAD during its twelfth ministerial conference in Accra, Ghana, in April 2008, to assist developing countries in building the technical capacities and institutions needed for the implementation of corporate transparency and accounting codes and standards. The secretariat encouraged delegates to make their requests in this area known.

20. The Chair then gave the floor to two speakers from developing countries who each presented their work on capacity-building. The first was the executive director of the Egyptian Institute of Directors (EIOD), who spoke on the efforts of the Egyptian Government, the EIOD and international development partners to improve the awareness and technical capacity in the areas of corporate governance disclosure and corporate responsibility reporting.

21. The second speaker was the Director of Empretec Ghana, an entrepreneurship training centre that formed part of a global network of Empretec centres coordinated by UNCTAD. The Empretec representative highlighted the critical need for accounting capabilities among small enterprises and outlined the work of Empretec Ghana in building capacity in this area.

22. Following the contributions of these panelists, the Chair opened the floor and invited comments and questions from delegates about capacity-building in this area. A number of speakers intervened to highlight work in their countries.

### **D. High-level segment: Financial stability and international standards of accounting and reporting**

(agenda item 4(c))

23. Following a brief introduction to the high-level segment, the Chair of the session invited the Secretary-General of UNCTAD to present his remarks on the topic. The Secretary-General highlighted the centrality of reliable and comparable information for financial stability and investors' ability to assess risk and allocate resources to different investment opportunities. With respect to the credit crisis, he highlighted that opacity and complexity of certain financial instruments, particularly mortgage-backed securities, were among some of the root causes of the unprecedented losses. He noted that, in the aftermath of the credit crisis, investors had fled the financial markets and households were moving their personal savings to government-backed institutions, opting for better protection of their funds.

24. In sharing his personal observation of the unfolding credit crisis, the Secretary-General noted that a crisis of unprecedented magnitude, such as the current one, could prompt regulators and standard-setters to introduce urgent amendments to relevant accounting and reporting standards. He stressed that such changes needed to be made in a fair and transparent manner, allowing inputs from all stakeholders. He said that the international conference on financing for development that was scheduled to take place in Doha at the end of that month would provide the international community another opportunity to deliberate on the implications of the financial crisis and identify solutions.



25. He reminded delegates that their role in relation to the financial crisis was highly significant and encouraged them to assess the state of affairs from a truly global perspective. He stressed the need for transparency and clarity in corporate reporting and noted that opacity and complexity endangered the development of member States around the world, especially those States that could least afford it. He informed delegates that – should they wish to conduct more extensive deliberations on the credit crisis and its implications – the UNCTAD secretariat would stand ready to assist them.

26. The next speaker on the topic was Mr. Wang Jun, Vice-Minister, Ministry of Finance, the People's Republic of China. He noted that China's economy had been growing at a remarkable pace. He elaborated on the steps his country had taken to converge its national standards with international ones. In relation to the credit crisis, the Vice-Minister expressed his support to the statement the Secretary-General of UNCTAD made at the opening of the high-level segment. He underscored the importance of transparency in corporate reporting, noting that nothing was more effective than sunshine when it came to averting decay.

27. The next panelist was Mr. Ibrahim Ashmawy, Deputy Minister of Investment, Ministry of Investment of Egypt. At the start of his presentation, the Deputy Minister raised a series of questions pertaining to the credit crisis, including (a) how the international financial system failed to foresee and deal with the crisis; (b) whether government intervention was required at that stage of the credit crisis; (c) credibility of regulators in handling the crisis; and (d) on what impact the global crisis would have on the concept of standardization. He elaborated on a number of initiatives the Egyptian Government had undertaken to deal with the impact of the credit crisis, including (a) increasing public expenditure in services and public utilities; (b) making credit available for productive and export-oriented projects; (c) facilitating SMEs access to credit; (d) enhanced regulation of the non-banking financial sector and consolidation of the three non-banking financial regulators in the country into one.

28. This was followed by a presentation on the experiences of Cambodia on building technical capacity in the areas of accounting and auditing. In his presentation, Mr. Ngy Tayi, Chair of the National Accounting Council and Undersecretary of the State Ministry of Economy and Finance of Cambodia. Following a long period of conflict, in July 2002, the country passed a law on corporate accounts and established an accounting standard setting body. Cambodian accounting standards were based on IFRS.

29. The next speaker was Mr. Kwabena Baah-Duodu, Ambassador, Permanent Representative of Ghana to the United Nations in Geneva. He discussed his country's experience in improving fiscal transparency, accounting and reporting. With respect to the public sector, the Ambassador noted that it had become imperative for his country to adopt International Public Sector Accounting Standards. He discussed several economic performance indicators that highlighted development goals his country had attained. He also noted that his country was the second sub-Saharan African country after South Africa and the first post Highly-Indebted Poor Country (HIPC) to access the international capital market with the debut Eurobond. Standard and Poor's and Fitch had rated the bond as B+. Turning to the global financial crisis that prevailed at that time, the Ambassador stated that it had placed the issue of corporate transparency in the spotlight as an essential ingredient required to preserve the liberalization of the financial markets.

30. The Chair invited representatives of the IASB and the International Federation of Accountants (IFAC). The representative of the IASB addressed several issues raised by the previous speakers. He commended China's efforts geared towards

developing its national accounting standards not in isolation but by converging with IFRS. He elaborated on productive collaborations that national standard setters could develop with the IASB.

31. The IASB representative stated that the global credit crisis required a global response and noted how allocating blame or finger-pointing would not contribute to resolving the challenges the credit crisis brought about. Though most countries in the developing world did not buy mortgaged-backed securities or other toxic financial instruments that were at the center of the credit crisis, many of them had been affected due to decline in the exchange rate of their currencies, values of stocks traded in their exchanges and in demand and price of commodities. He indicated that although losses attributable to the mortgage-backed securities and other toxic financial products were estimated at \$1.4 trillion, the actual amount report amounted to \$600 billion. The discrepancy was indicative of the lack of transparency on the side of the parties responsible for providing the investing public with such information.

32. The representative of IFAC agreed with several points that the IASB representative raised, particularly in relation to the importance of due process and transparency in the standard-setting process. He elaborated on contributions of several components of the financial reporting supply chain, including preparers, board of directors, auditors, analysts, credit rating agencies, securities regulators, and auditor oversight bodies. He underscored that all contributors to the financial reporting supply chain needed to be strengthened to ensure investor confidence in the financial reporting system. He also highlighted the importance of International Public Sector Accounting Standards (IPSAS) for promoting transparent financial reporting in the public sector.

33. During the remaining time allocated to the high-level segment, some delegates shared their views on the credit crisis and others sought further clarifications on issues the IASB representative addressed, such as amendments the IASB made on IAS 39 and IFRS 7, and further information on the series of roundtables that the IASB planned to conduct. In concluding their deliberations on this segment, delegates called for concerted efforts by all parties involved in the corporate reporting supply chain to restore users' confidence in the international financial reporting architecture.

## **E. Corporate governance disclosure and corporate responsibility reporting**

(agenda item 4(d))

34. The Chair introduced the agenda item and gave the floor to a member of the secretariat who presented the findings of two new studies: the 2008 Review of the implementation status of corporate governance disclosures: an examination of reporting practices among large enterprises in 10 emerging markets (TD/B/C.II/ISAR/CRP.1); and the 2008 Review of the reporting status of corporate responsibility indicators (TD/B/C.II/ISAR/CRP.2). The papers provided useful insights into the current state of corporate reporting on non-financial subjects in emerging markets.

35. Following this presentation, the Chair introduced an invited expert from the research firm Ethical Investment Research Services (EIRIS), who presented the findings of the joint UNCTAD and EIRIS paper, 2008 Review of the corporate responsibility performance of large emerging market enterprises (TD/B/C.II/ISAR/CRP.3). The paper examined the corporate reporting of 40 leading companies in 10 emerging markets and provided an assessment of each company

against key ESG indicators. The analysis illustrated how some of the largest emerging markets companies were addressing ESG issues, as well as the methodologies used by ESG analysts to measure company performance in this area.

36. The Chair introduced two additional panelists, one from the Global Reporting Initiative (GRI) and one from the assurance standard setter AccountAbility. The GRI representative gave an overview of the driving forces behind ESG reporting and demand among users of corporate reports for more relevant and comparable data. The GRI representative also announced the signing of a memorandum of understanding between UNCTAD and GRI which focused on promoting in developing countries and economies in transition greater understanding of, and greater participation in, the processes that set internationally recognized sustainability reporting standards in order to foster sustainable development in those countries and facilitate investment and business linkages. The representative from AccountAbility provided an overview of the use of assurance standards in company ESG reports, highlighting the important role that assurance plays in strengthening the credibility of sustainability reporting and in helping enterprises to understand and improve their ESG performance.

37. After the panelists had made their presentations, the Chair opened the floor and a broad discussion on the subject of ESG disclosure ensued. Several delegates commented on the secretariat's 2008 review of corporate governance disclosure, recognizing its usefulness and making suggestions for future research in this area.

38. Broad discussion was also sparked by questions about the relationship between ESG performance and financial performance. The panelists expressed similar views on this subject. Several observed that some studies showed a correlation between ESG performance and long-term financial performance. Other panelists pointed out that there were a large number of factors that influenced long-term financial performance, including industry trends and economic circumstances external to the firm, thus isolating the impact of ESG performance alone on such financial indicators as sales growth. The panelists observed that ESG performance could play a key role in delivering other mission critical features of enterprise development. The group concluded their discussion with calls for the secretariat to continue its work in this area.

## **F. Updates by regional and other international organizations**

(agenda item 4(e))

39. A representative of the Organization for Economic Cooperation and Development (OECD) provided an overview of recent developments pertaining to the OECD Guidelines for Multinational Enterprises. She explained that – since its creation in 1976 and its revision in 2000 – there were 41 countries adhering to the Guidelines, including the 30 OECD member States as well as 11 non-member States. Recent events included high-level recognition of the role of the Guidelines during the 2008 meeting of the G-8 leaders in Germany, as well as strengthened partnerships between the OECD and a number of organizations, including the signing of a memorandum of understanding with UNCTAD at UNCTAD XII in Accra. Going forward, she said that OECD intended to focus on strengthening its National Contact Points, the key mechanism for resolving disputes related to the Guidelines, and to engage more closely with the financial sector to promote responsible investment practices.

40. A representative of the International Corporate Governance Network (ICGN) discussed that organization's activities around the world to promote improved corporate governance practices, including improved corporate disclosures. The

representative highlighted ICGN's recent international meeting in the Republic of Korea, and noted the increased concern of corporate governance experts about the financial crisis. He highlighted the cooperation of ICGN with institutional investors and regional corporate governance organizations, including the United States Council of Institutional Investors and the Asian Centre for Corporate Governance.

41. The Chief Executive of the Eastern Central and Southern African Federation of Accountants (ECSAFA) discussed key issues that organization was focused on related to the role the accounting profession could play in supporting the achievement of the Millennium Development Goals (MDGs). In particular, he highlighted four of the eight MDGs that he regarded as particularly relevant for the accounting profession, including eradication of extreme poverty and hunger, achievement of universal primary education, achievement of environmental sustainability and the formation of global partnerships for development. He explored a number of issues in which accountants might play a greater role in informing and influencing development activities.

42. The Technical Director of the European Federation of Accountants (FEE) highlighted a number of activities that her organization had undertaken during the intersessional period of ISAR. In her update, she elaborated on FEE activities related to better regulation and simplification and reduction of administrative burdens related to accounting issues; financial reporting, particularly reporting by small and medium-sized enterprises (SMEs) and proposals to exempt SMEs from certain types of disclosure; the role of auditors in providing assurance on corporate governance statements; and recent FEE research into sustainability disclosures in annual reports. The representative highlighted a number of reports that her organization had published during the intersessional period as well as several others that were due to be released during the months following the twenty-fifth session of ISAR. She also highlighted a number of meetings and workshops organized by FEE during the intersessional period, as well as workshops planned for after the twenty-fifth session of ISAR.

## **G. Provisional agenda for the twenty-sixth session**

(agenda item 5)

43. In the course of their deliberations on the provisional agenda for the twenty-sixth session of ISAR, delegates agreed on conducting further review of practical implementation issues of IFRS and ISA. Some delegates suggested that representatives from countries such as Australia, Canada, China, South Africa, the United States of America, and the United Kingdom of Great Britain and Northern Ireland be invited to next session of ISAR so that they could share their views on these topics with delegates.

44. There were also a number of suggestions on topics that ISAR could address at its next session. Several delegates suggested that, given the importance of the SME sector, the discussion on accounting by SMEs needed to remain on ISAR's agenda. There was broad consensus that this topic could be dealt with under other business at the next session of ISAR. It was proposed to invite the IASB to provide updates on its project – IFRS for SMEs – at the next session of ISAR. A more extensive sharing of experiences on practical implementation on accounting by SMEs would be more suitable for discussion in about two years.

45. Several other topics were also proposed for consideration by ISAR at future sessions. These were capacity-building issues in the areas of accounting and reporting, IPSAS and accounting for not-for-profit organizations. In the course of their deliberations on these issues, delegates agreed on the importance of these

topics. They also recognized the limited time and resources that the group of experts had at its disposal to deal with these topics. There was general agreement on addressing some of the capacity-building issues and IPSAS implementation by requesting the UNCTAD secretariat to organize technical workshops on these topics.

## **IV. Organizational matters**

### **A. Election of officers**

46. At its opening plenary meeting, the Intergovernmental Working Group elected the following as officers:

Chair: Professor L. Nelson Carvalho (Brazil)

Vice-Chair-cum-Rapporteur: Mr. Syed Asad Ali Shah (Pakistan)

### **B. Adoption of the agenda and organization of work**

47. At its opening plenary, the Intergovernmental Working Group adopted the provisional agenda for the session (contained in TD/B/C.II/ISAR/44). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of practical implementation issues relating to international financial reporting standards
4. Other business
5. Provisional agenda for the twenty-sixth session
6. Adoption of the report

### **C. Outcome of the session**

48. At its closing plenary meeting, on Thursday, 6 November 2008, the Intergovernmental Working Group adopted its agreed conclusions (see chap. I). It also agreed that the Chair should summarize the informal discussions (see chap. III).

### **D. Adoption of the report**

49. Also at its closing plenary meeting, the Intergovernmental Working Group authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

## **Annex I**

### **Provisional agenda for the twenty-sixth session**

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of practical implementation issues of international financial reporting standards
4. Other business
5. Provisional agenda for the twenty-seventh session
6. Adoption of the report

## Annex II

### Attendance\*\*

1. Representatives of the following States members attended the session:

Afghanistan	Latvia
Albania	Lithuania
Algeria	Madagascar
Angola	Malta
Bahrain	Morocco
Belarus	Namibia
Benin	Nigeria
Bosnia and Herzegovina	Norway
Brazil	Oman
Burundi	Pakistan
Cambodia	Poland
Canada	Portugal
China	Qatar
Colombia	Republic of Korea
Comoros	Romania
Congo	Russian Federation
Cyprus	Rwanda
Czech Republic	Saudi Arabia
Democratic Republic of the Congo	Senegal
Denmark	Serbia
Egypt	Slovakia
Finland	Sri Lanka
France	Sudan
Gabon	Swaziland
Germany	Sweden
Ghana	Switzerland
Guinea	Syrian Arab Republic
Haiti	Tajikistan
Hungary	Thailand
India	Togo
Indonesia	Tunisia
Iran (Islamic Republic of)	Turkey
Iraq	Uganda
Italy	Ukraine
Jamaica	United Kingdom of Great Britain and Northern Ireland
Kazakhstan	Venezuela (Bolivarian Republic of)
Kenya	Yemen
Kuwait	Zambia
Kyrgyzstan	Zimbabwe
Lao People's Democratic Republic	

2. The following intergovernmental organizations were represented at the session:

Economic Community of West African States  
Organization for Economic Cooperation and Development

\*\*For the list of participants, see TD/B/C.II/ISAR/Inf.1.

3. The following United Nations programme attended the session:

United Nations Environment Programme

4. The following specialized agencies attended the session:

International Labour Organization  
United Nations Industrial Development Organization  
World Trade Organization

5. The following panellists attended the session:

Tuesday 4 November

Mr. Aziz Dieye, Chair, twenty-second session of ISAR  
Mr. Ato Gharthey, Chair, twenty-fourth session of ISAR  
Ms. Alicia Jaruga, Chair, sixteenth session of ISAR  
Mr. Richard Martin, Chair, eighteenth session of ISAR  
Mr. Rudolf Muller, Chair, twenty-third session of ISAR

Agenda item 3. Review of practical implementation issues relating to international financial reporting standards

Mr. Ashraf El-Sharkawy, Egypt  
Ms. Malgorzata Jaruga-Baranowska, Poland  
Mr. Reto Eberle, Partner, KPMG  
Mr. Nigel Sleigh-Johnson, ICAEW, United Kingdom  
Mr. Jim Sylph, Executive Director, IFAC  
Mr. Robert Garnett, Board Member, IASB

Wednesday 5 November

Agenda item 4 (a). Accounting by SMEs: SMEGA Level 3 Guidance

Mr. Robert Garnett, IASB, Board Member  
Mr. Richard Martin, ACCA  
Mr. Vickson Ncube, ECSAFA  
Mr. Syed Asad Ali Shah, ICAP

Agenda item 4 (b). Accounting and reporting capacity building requirements

Mr. Ashraf Gamal El-Din, Egyptian Institute of Directors, Egypt  
Mr. Nana Tweneboa Boateng, Empretec Ghana

Agenda item 4 (c). High-level Segment: Financial stability and international standards of accounting and reporting

Mr. Wang Jun, Vice-Minister, Ministry of Finance, China  
Mr. Ibrahim Ashmawy, Deputy Minister of Investment, Egypt  
Mr. Ngy Tayi, Under Secretary of State, Ministry of Economy and Finance,  
Kingdom of Cambodia  
Mr. Kwabena Baah-Duodu, Ambassador, Permanent Representative to the UN  
in Geneva, Ghana  
Mr. Robert Garnett, IASB, Board Member  
Mr. Jim Sylph, Executive Director, IFAC

Thursday 6 November

Agenda item 4 (d). Corporate governance disclosure and corporate responsibility reporting

Ms. Nancy Kamp-Roelands, Ernest & Young, The Netherlands



Mr. Stephen Hine, EIRIS, United Kingdom  
 Mr. Ernst Ligteringen, Global Reporting Initiative, The Netherlands  
 Mr. Alan Knight, AccountAbility, United Kingdom

Agenda item 4 (e). Updates by regional and other international organizations

Ms. Marie-France Houde, OECD  
 Mr. Robert Garnett, Board Member, IASB  
 Mr. Jim Sylph, Executive Director, IFAC  
 Mr. Andre Baladi, Co-Founder, ICGN  
 Mr. Vickson Ncube, ECSAFA  
 Ms. Saskia Slomp, FEE

6. The following were invited to the session:

Accounting and Auditing Association of Serbia  
 Mr. Dragan Mikerevic, Chairman of the Assembly, Belgrade

Accounting and Finance Academy of the Russian Federation  
 Mr. Victor Getman, Head, Moscow

Accounting Association of Accounting Technicians  
 Mr. Aleem Islan, Technical Manager, United Kingdom  
 Mr. John Vincent, Council Member, United Kingdom

Accounting Association of Certified Accountants and Auditors of Belarus  
 Mr. Dzmitry Pankou, Chairman, Minsk

Accounting Study Center  
 Mr. Agim Binaj, Accounting Expert, Albania

Africa Development Bank  
 Mr. Ndung'u Gathinji, Project Chairman, Kenya

Alcoa Europe  
 Mr. Marco Marocco, Europe Compliance Finance Manager

Asian Development Bank  
 Mr. Samiuela Tukuafu, Financial Specialist

Association of Accountants and Financiers of Albania  
 Mr. Sherif Bundo, Executive Director, Tirana

Association of Chartered Certified Accountants  
 Mr. Peter Stewart, Head of Consulting, United Kingdom  
 Mr. Ian Welch, Head of Public Affairs, United Kingdom  
 Mr. Robin Jarvis, Head of Small Business, United Kingdom

Association of International Accountants  
 Ms. Doreen Bland, Secretary to the Council, United Kingdom

Barki Tojik  
 Mr. Salimkhon Qurbonov, Chief Accountant Open Stock Holding Power  
 Company, Tajikistan

CADIRE Business Community International

Ms. Cuartero Reinatou Julienne Nkouandou, Administrative Assistant,  
Yaoundé, Cameroon

Mr. Yves Mbock Koked, Managing Director, Yaoundé, Cameroon

Cairo and Alexandria Stock Exchanges

Mr. Maged Sourial Boulus, Chair, Cairo

Mr. Mohamed Omran, Vice-Chair, Cairo

Caisse des Dépôts

Ms. Claire Bosson, Adviser, Climate and Environment, International and  
European Affairs, France

CAPA (Confederation of Asian and Pacific Accountants)

Mr. Kamlesh Vikamsey, President, Kuala Lumpur

CECCAR (Corpul Expertilor Contabili si Contabililor Autorizati din Romania)

Ms. Vulcan Daniela, Executive Director

Ms. Sidovici Andreea, Counselor

Centre Info SA

Mr. Stefano Gilardi, Sustainable Investment Consulting, Switzerland

Chamber of Accountants of Djibouti

Mr. Mohamed Mahamoud Hassan, President

Chamber of Auditors of Azerbaijan

Mr. Vali Rahimov, Head of department, Baku

Chamber of Auditors of the Czech Republic

Mr. Vladimir Zelenka, Member of Council, Prague

Chinese Institute of Certified Public Accountants of China

Ms. Mei Luo, Deputy Director, Professional Standards, Beijing

Mr. Zhao Jizhe, Administrative Assistant, Beijing

CIFA (Convention of Independent Financial Advisors)

Mr. Jean-Pierre Diserens, Vice-President, Switzerland

COCA (Central Organization for Control and Auditing of Yemen)

Mr. Abdullah Abdullah Alsanafi, President, Sana'a

Mr. Ahmed Kaid Ashaybani, Director General of Technical Cooperation,  
Sana'a

Conseil Supérieur de la comptabilité

Mr. Andry Ramanampanoharana, Manager, Antananarivo, Madagascar

Conselho Federal de Contabilidade do Brazil

Mr. Nelson Mitimasa Jinzenji, Accountant, Brasilia

Con Ser Invest SA

Mr. Thierry Fuchsmann, ESG Consultant, Switzerland

Consiglio Nazionale Dottori Commercialisti

Mr. Johannes Guigard, Chartered Accountant, Italy

Continental Trading Invest and Development  
Mr. Pedro Nsanzi, General Manager, Genève

Copenhagen Business School  
Ms. Caroline Aggestam, Assistant Professor, Department of Accounting and Auditing

Creative Investing Research Inc.  
Mr. William Cunningham, Social investing advisor, United States of America

CSR (Corporate Social Responsibility)  
Mr. Mark Saafeld, Consultant, Switzerland  
Ms. Hyacinth O'Sullivan, Geneva Network, Switzerland

Danish Commerce and Companies Agency  
Ms. Christina Wolfeld Gehring, Head of Section, Copenhagen

Deloitte  
Mr. Ian Sanderson, Switzerland  
Mr. Fabien Bryois, Audit Senior Manager, Switzerland  
Ms. Joelle Herbette, Manager, Switzerland  
Ms. Lidija Nanus, Director, Skopje

De Pury Pictet Turretini and Cie  
Mr. Guillaume Taylor, Partner

E-Capital Partners  
Mr. Paolo Sardi, Italy

Ernst and Young  
Mr. Hans Verkruijsse, Netherlands  
Ms. Henriëtte Boerma, Auditor, Netherlands  
Mr. Mark Jonathan Hawkins, Auditor, Switzerland

ESG Risk Metrics Group  
Ms. Bistra Baharova, Senior Research Analyst, United States of America  
European Baha'i Business Forum  
Mr. Mahmud Samandari, External Relations, Switzerland

European Federation of Accountants and Auditors for SMEs  
Mr. Federico Diomeda, President, Brussels

Fédération internationale des experts-comptables  
Mr. Francois Mechin, Commissaire aux Comptes, France

Financial Executives International  
Mr. David Morris, United States of America

Gambia Public Utilities Regulatory Authority  
Mr. Paul S. Mendy, Senior Finance Manager, Banjul

Geneva School of Diplomacy and International Relations  
Mr. Osvaldo Agatiello, Professor

Global Alliance for Improved Nutrition  
Mr. Craig Courtney, Resource mobilization manager, Switzerland

Global Reporting Initiative  
Mr. Ernst Ligteringen, Chief Executive, Netherlands

Harcourt Investment Consulting AG  
Mr. Tommaso Ferrazzo, Managing Director, Switzerland

Hermes Investment Management Ltd.  
Mr. Paul Lee, Corporate Governance Analyst, United Kingdom

Highland Good Steward Management  
Mr. William Mills, Managing partner, United States of America

ICAC (Accounting and Auditing Institute)  
Ms. Maria Beatriz Batlle Martinez, Head of Unit, Accounting Standards  
Division, Spain

Innovest Strategic Value Advisers  
Ms. Karina Wong, Senior Consultant, United Kingdom

IFAC (International Federation of Accountants)  
Mr. Mike Hathorn, Chair, United Kingdom  
Mr. John Richard Stanford  
Mr. Henry Saville, Chair – IAESB, Poland

Institut der Wirtschaftsprüfer  
Mr. Norbert Breker, Technical Director, Germany

Institut des réviseurs d'entreprises  
Mr. David Szafran, Expert, Belgium

Institute for Social and Ethical Accountability  
Mr. Alan Knight, Head of Standards, United Kingdom

Institute of Accounting of Lithuania  
Mr. Jaunius Simonavicius, Deputy Director, Vilnius

Institute of Chartered Accountants of Bangladesh  
Mr. Anwaruddin Chowdhury, Past President and Member of the Council  
Institute, Dhaka  
Mr. Mohammed Humayun Kabir, President, Dhaka  
Mr. M. Syful Islam, Vice President, Dhaka

Institute of Chartered Accountants of Ghana  
Mr. Raymond A. Brown, Chief Executive, Accra

Institute of Chartered Accountants of Nigeria  
Mr. Olusoji Olumide Odukoya, Chartered Accountant, Abuja

Institute of Chartered Accountants of Pakistan  
Mr. Syed Asad Ali Shah

Institute of Chartered Accountants of the United Kingdom  
Mr. Robert E. Langford, Sustainability Consultant, London

Institute of Professional Accountants of the Samara Region  
Mr. Dmitry Yakovenko, President, Russian Federation  
Mr. Alexander Shestakov, Assistant, Russian Federation

Institute of Professional Accountants and Auditors of Tajikistan  
Ms. Farogat Gafurova, Head Public Manager, Dushanbe

Institute of Public Management  
Mr. Andreas Bergmann, Director IPM, Switzerland

Insurance Supervision Commission  
Ms. Doina Florescu, Director General

Internal Accounting Standards Committee Foundation  
Mr. Ken Creighton, Senior Manager, United Kingdom

International Association Financial Executives Institutes  
Mr. Gabriele Fontanesi, Chairman, Italy

International Facility Management Association  
Mr. Xavier Rickenbacher, Accountant, IFMA member, Finance ICS Corporate  
Services, Geneva

International Federation of Accountants of Canada  
Mr. David McPeak, Technical Manager, Ottawa

International Financial Management Association  
Mr. Syed Azam Ali, Consultant, Switzerland

International Finance Corporation  
Ms. Garvey Maxine, Senior Corporate Government Officer, Global Corporate  
Governance Forum, United States of America

International Financial Reporting Standards  
Mr. Peter Walton, Director, IFRS News.net, Spain

Interpeace  
Mr. Martin Pieteron, Administrator, Switzerland  
Mr. Matthias Stiefel, Vice-Chair, Switzerland

Islamic Bank  
Mr. Eskander Ali Khan, Director, Bangladesh

Islamic Financial Services Board of Malaysia  
Ms. Mashair Sabir, Assistant Project Manager, Kuala Lumpur

J.K. Randle Professional Services  
Mr. Bashorun J.K. Randle, Chairman and Chief Executive, Abuja, Nigeria

KPMG  
Mr. Thomas Schmid, Partner, Switzerland

Lebanese Association of Certified Public Accountants  
Mr. David El Kazi, Secretary General, Beirut

NASBA (National Association of State Boards of Accountancy)  
Ms. Linda Biek, Director of International Relations, United States of America

National University of Malaysia  
Mr. Romlah Jaffar, Chairperson, Kuala Lumpur

Nevastar Finance SA  
Mr. Fabien Duteil, Managing Director, Switzerland

OECT (Ordre des Experts comptables de Tunisie)  
Ms. Fattouma Gharsalli, Chartered Accountant, Standards Committee, Tunis

OTC (Osteosynthesis and Trauma Care Foundation)  
Mr. Peter Illig, Attorney, France

PEFC (Programme for the Endorsement of Forest Certification)  
Ms. Claire Blenkinsop, Head of Development, Switzerland

Pension Protection Fund  
Mr. Aled Jones, Manager, Responsible Investment, United Kingdom

PKA (Pensionskassernes Administration)  
Ms. Susanne Roge Lund, Financial analyst, Denmark

PricewaterhouseCoopers  
Mr. Hugo van den Ende, Director, Netherlands  
Mr. Lars-Olle Larsson, Principal Director, Sweden  
Mr. David Mason, Switzerland  
Ms. Seline Iseli, Senior consultant, Switzerland  
Mr. Richard Golding, Senior consultant, Switzerland  
Ms. Jordane Galasso, Senior Manager, Switzerland  
Mr. Nicolas Ruibal, Partner, Switzerland

Principal WG Capital  
Mr. Torrio Osborne, United States of America

Principles for Responsible Investment  
Mr. Eric James Gifford, Executive Director, United Kingdom  
Mr. Donald McDonald, Chair, United Kingdom  
Mr. Elliot Frankal, Communications Manager, United Kingdom  
School of Business  
Mr. Najib Harabi, Professor of Economics, Switzerland

Scipion Capital Ltd.  
Ms. Lindsey Clavel, Member of the Board, United Kingdom

Social Security and Housing, Financial Corporation, Gambia  
Mr. Momar Samba, Director of Audit, Banjul

SRI Engagement  
Mr. Stephen Waygood, Head, United Kingdom

Thailand's Federation of Accounting Professions  
Ms. Unakorn Phruithithada, CPA, Bangkok  
Ms. Kanogporn Narktabtee, Student, Bangkok

The African Economist  
Mr. Eyasu Solomon, Director International Office, Addis Ababa, Ethiopia

Triple E  
Ms. Lieske Van Santen, International Advisor  
Mr. Ivo Mulder, Consultant

UNISON (Trade Union)  
Mr. Colin Meech, National Officer, United Kingdom

United Nations Global Compact  
Mr. Claude Fussler, Speaker, France

University of Arkansas  
Ms. Karen Pincus, Professor, United States of America

University Dokuz Eylul  
Mr. Serdar Ozkan, Advisor, Faculty of Business, Turkey

University of Business School  
Mr. Samuel N.Y. Simpson, Lecturer in Accounting, Ghana

University of Geneva  
Ms. Catherine Ferrier, Scientific Collaborator

University of Grenoble  
Ms. Albertine Azar, Student, France

University of Latvia  
Mr. Andrejs Ponomarjovs, Assistant Professor, Institute of Accountancy, Riga

University of Lodz  
Mr. Wojciech Nowak, Professor, Accounting Department  
Ms. Anna Szychta, Assistant Professor, Department of Accounting, Faculty  
Management  
Ms. Irena Sobanska, Professor, Faculty of Management, Poland

University of São Paulo  
Ms. Maisa Ribeiro, Department of Accounting, Brazil

University of Strathclyde  
Mr. Andrea B. Coulson, Lecturer in Accounting, United Kingdom

University of Sydney  
Ms. Ronita Singh, Associate Lecturer, Australia



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**Trade and Development Board**  
**Investment, Enterprise and Development Commission**  
**Intergovernmental Working Group of Experts on**  
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**Twenty-fifth session**  
Geneva, 4–6 November 2008

**Report of the Intergovernmental Working Group of  
Experts on International Standards of Accounting and  
Reporting on its twenty-fifth session**

Held at the Palais des Nations, Geneva, from 4 to 6 November 2008

**Corrigendum**

**Paragraph 28**

For the existing text, *substitute*

28. This was followed by a presentation on the experiences of Cambodia on building technical capacity in the areas of accounting and auditing by Mr. Ngy Tayi, Chair of the National Accounting Council and Undersecretary of the State Ministry of Economy and Finance of Cambodia. Following a long period of conflict, in July 2002, the country passed a law on corporate accounts and established an accounting standard setting body. Cambodian accounting standards were based on IFRS.

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**Corrigendum**

**Paragraph 38**

For the fourth sentence of the existing text, *substitute*

Other panellists pointed out that there were a large number of factors that influenced long-term financial performance, including industry trends and economic circumstances external to the firm; thus, isolating the impact of ESG performance alone on such financial indicators as sales growth was difficult.