Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

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Afternoon Session

Work on accounting and disclosure

Presented by

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Financial Stability Board
Work on accounting and disclosure

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ISAR Geneva, 6 November 2013
Priorities

- Building resilient financial institutions
- Ending Too-Big-To-Fail
- Creating continuous OTC derivatives markets
- Strengthening shadow banking
- Achieving timely and consistent implementation
- FSB resources, capacity and governance
Interest in accounting

High-quality, consistently applied, converged accounting standards needed
• As a basis for calculations of prudential capital
• To support market discipline by external stakeholders
• To facilitate comparison of Globally Significant Financial Institutions (G-SIFIs)

• Supported by high-quality consistent risk disclosures
Accounting for financial instruments

- A high priority for the G20 since 2009
- A lot has been done – IFRS 9 nearing completion
- Still need converged accounting for expected loss loan impairments, converged across IFRS and US GAAP
- Deadline – end 2013
Accounting for Insurance contracts

- Very long-standing project
- Increasing focus on Globally Significant Insurers
- Need converged standard for calculations of prudential capital and market discipline
- High priority over next 2-3 years
Enhanced risk disclosures

- Enhanced Disclosure Task Force private sector body established by FSB in May 2012
- Published principles and recommendations in October 2012
- Reported on application on 2012 year ends in July. Good progress
- Will report again next year on 2013 application
Questions

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