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**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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FSB

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# Financial Stability Board Work on accounting and disclosure

Richard Thorpe, FSB Adviser on Accounting and  
Auditing

ISAR Geneva, 6 November 2013

- 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

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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

- 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

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- 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

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- 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 ?