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

**35th SESSION**

24 - 26 October 2018

Room XVII, Palais des Nations, Geneva

Thursday, 25 October 2018

Afternoon Session

**Agenda item 4.**

**Issues of practical implementation of international standards  
of accounting and reporting in the public and private sectors**

Presented by

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# IFRS application and implementation

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## in Asian - Oceanian Region

Presented by AOSSG

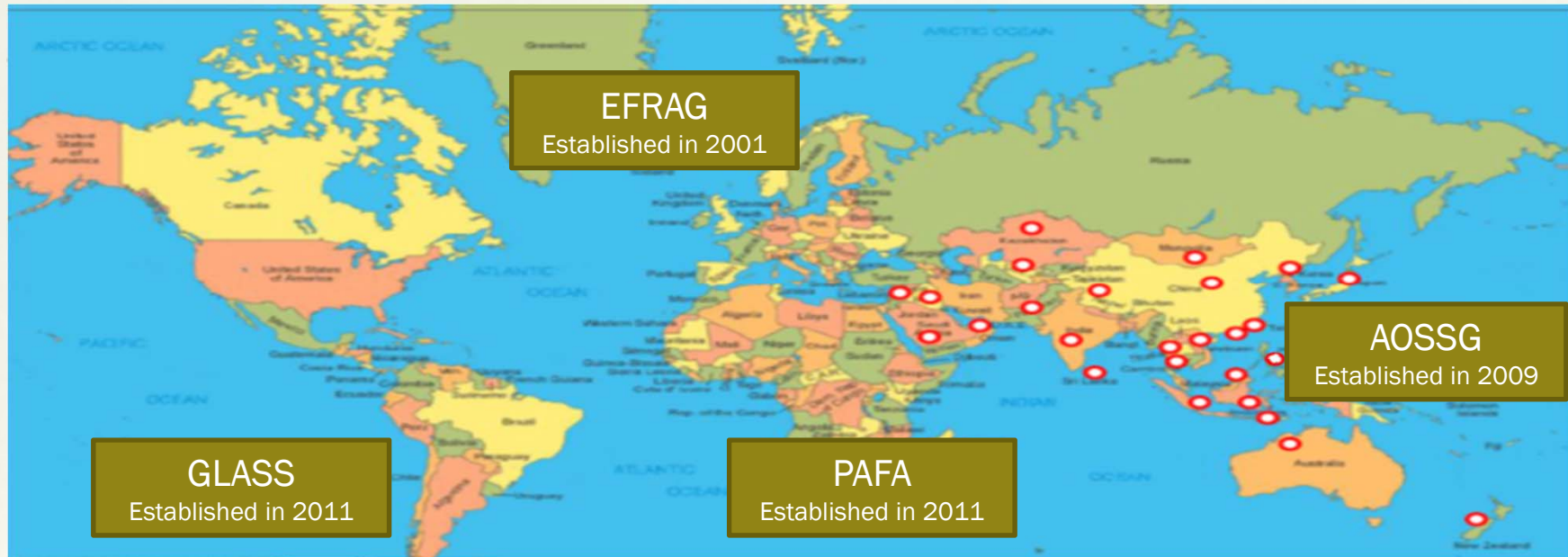
Geneva, October 2018

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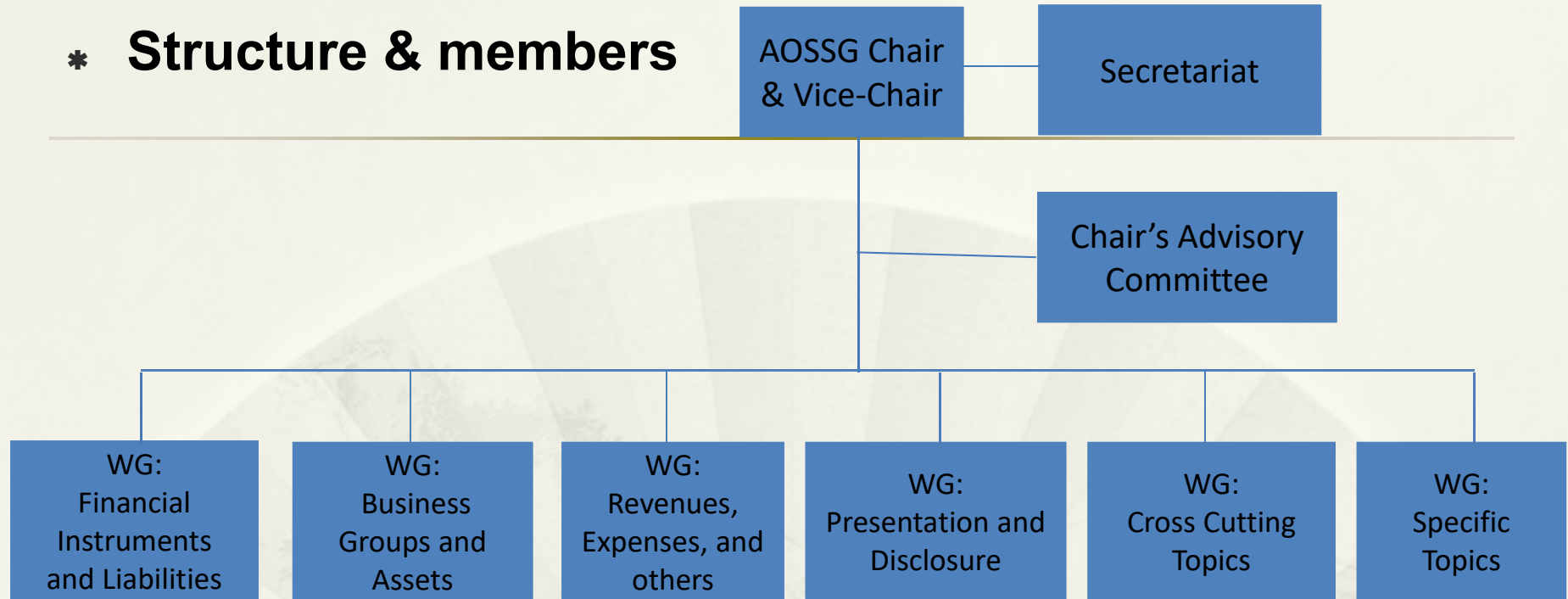
- \* **Brief Introduction to AOSSG**
- \* **Main Implementation Challenges**
- \* **Considerations for Improvement**

# 1. AOSSG: One of the Regional Standard Setter Organisations



Objective 1	Promoting the adoption of, and convergence with, IFRS by jurisdictions in the region
Objective 2	Promoting consistent application of IFRS by jurisdictions in the region
Objective 3	Coordinating input from the region to the technical activities of the IASB
Objective 4	Cooperating with governments, regulators and other regional and international organisations to improve the quality of financial reporting in the region

## \* Structure & members



Australia	Brunei	Cambodia	China	Dubai
Hong Kong	India	Indonesia	Iraq	Japan
Kazakhstan	Korea	Macao	Malaysia	Mongolia
Nepal	New Zealand	Pakistan	Philippines	Saudi Arabia
Singapore	Sri Lanka	Syria	Thailand	Uzbekistan
Vietnam				

## \* **Major activities launched by AOSSG**

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- Communicating regional views
- Sharing IFRS knowledge and information
- Research activities
- Outreach and post-implementation reviews
- Communicating with stakeholders
- Cooperating with other bodies
- Encouraging more jurisdictions to join AOSSG and mentoring jurisdictions considering moving to IFRS
  - Assessment & Train-the-trainer Programme
  - Mentoring Programme

✓ **12 members IFRS status changed since AOSSG inception**

AOSSG Members	Time of Change	Application of IFRS in 2017
Brunei	2014	IFRS permitted, IFRS required for some
Cambodia	2009	IFRS required for all
India	2015	IFRS-converged Ind AS required for some
Indonesia	2015	minimize differences between Indonesian GAAP and IFRS (1 year gap)
Japan	2010	IFRS permitted
Korea	2011	IFRS required for all
Malaysia	2012	IFRS required for all or most
Nepal	2014	IFRS required for all or most
Saudi Arabia	2017	IFRS required for all
Sri Lanka	2012 2014	IFRS required for all or most Full convergence with IFRS
Thailand	2011	Being converged with IFRS
Uzbekistan	2013	IFRS required for some

## 2. Challenges in IFRS implementation

Capital markets (and investors in these markets) at different stages of development:

Different accounting information needs

IFRS adoption and convergence at different stages :

A few AOSSG members are not active due to technical & practical issues

**AOSSG member jurisdictions  
with diverse economic, legal  
environment, cultural  
backgrounds**

No legal authority:

Difficult to promotion of adoption and consistent implementation of IFRS by AOSSG

Limited experience and resources in applying principle-based IFRS :

Lack of valuation & actuarial expertise

Significant costs for compliance with new IFRS



### 3. More opportunities to resolve practical issues at a regional level

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- \* To continue to mentor jurisdictions considering moving to IFRS and provide more structured mentoring to those that have just started implementing IFRS (such as Nepal, Vietnam, Cambodia)
- \* To encourage more collaboration and coordination between accounting standard setters, other regulatory agencies (particularly those responsible for enforcement of standards) and tax authorities
- \* To contribute more resources for the new and complicated IFRS
- \* To feed back the implementation status and issues through various existing channels, especially through the regional organisations

# Concluding Remarks

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- \* The Asian-Oceanian region represented by AOSSG is a significant force in applying IFRS
- \* AOSSG will continue to
  - Work closely with IASB to ensure IFRS are developed with AOSSG member jurisdictions' characteristics and challenges in mind
  - Improve the consistent application and implementation in the region
  - Cooperate and work with jurisdictions in the region who are not members, other standard setters and regulators in the region, and national standard setters from other regions

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**Thank you!**

## APPENDIX:

### ✓ Led by following AOSSG members

Year	Led by	Chair	Vice-Chair
2009-2010	Malaysian Accounting Standards Board	Zainal Abidin Putih, Mohammad Faiz Azmi	Ikuo Nishikawa
2010-2011	Accounting Standards Board of Japan	Ikuo Nishikawa	Kevin Stevenson
2011-2013	Australian Accounting Standards Board	Kevin Stevenson	Clement Chan
2013-2015	Hong Kong Institute of Certified Public Accountants	Clement Chan	Steve Lim Dr Jee In Jang
2015-2017	Korea Accounting Standards Board	Dr Jee In Jang Eui-Hyung Kim	Yibin Gao
2017-2019	China Accounting Standards Committee	Yibin Gao	Shiwaji Zaware

# AOSSG Achievements to date

## ➤ **Promote IFRS adoption and convergence**

### ✓ **All 26 members have IFRS as a base or permit use of IFRS**

- Since AOSSG's inception in 2009, 12 members have moved to IFRS as a base or permitted use of IFRS
- At Annual meetings, AOSSG members share progress and issues

### ✓ **Developed capacity-building programme**

- Assessment & Train-the-trainer Programme for Nepal
- Mentoring Programme

## ➤ **Promote consistent application of IFRS**

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### ✓ **Share implementation issues**

- At Annual meetings and IFRS workshops, members present and discuss their implementation issues

### ✓ **Conduct joint research**

- AASB and KASB undertook joint research

### ✓ **Coordinate pilot outreach of IFRS 13**

- AOSSG coordinated with IASB project team to perform pilot outreach for PIR with stakeholders in AOSSG jurisdictions

### ✓ **Education to assist with implementation consistency**

- At Interim & Annual meetings, IASB & AOSSG provide education sessions

## ➤ **Coordinate input to the IASB**

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### ✓ **Submit comment letters**

- Submitted **67** comment letters to the due process documents issued by the IFRS Foundation

### ✓ **Undertake AOSSG-specific projects**

- Agriculture project
- Islamic Finance project

### ✓ **Deliver views to IASB**

- AOSSG Interim and Annual meetings
- Working group meetings
- ASAF meetings
- IASB staff attended by videoconference outreach sessions in member jurisdictions

## ➤ **Cooperate with other organisations**

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- ✓ **Attend various international meetings**
  - Many AOSSG members attend IFASS meeting and WSS meeting
- ✓ **Contribute to IFRS Foundation**
  - AOSSG encourages its members to identify opportunities to nominate suitable individuals to Trustees, IFRS IC, IFRS AC, Advisory Panel, etc.
  - AOSSG member jurisdictions make financial contributions to the IFRS Foundation