



asian-oceanian  
standard-setters group

# AOSSG Strategic Plan

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2015 - 2019

## **1 Introduction**

- 1.1 The commencement of the 2013 Annual Asian-Oceanian Standard-Setters Group (AOSSG) Meeting marked the AOSSG's fourth anniversary. At the November 2013 AOSSG Chair's Advisory Committee Meeting, members decided that it is time to formalise and document a long-term strategy for the AOSSG<sup>1</sup>.
- 1.2 This AOSSG strategic plan has a four-year timeframe, commencing from the 2014 Annual AOSSG Meeting. It is intended to periodically update the plan.
- 1.3 This plan has the following sections:
  - Background on the AOSSG (Section 2);
  - Strengths (Section 3);
  - Weaknesses (Section 4);
  - Opportunities (Section 5);
  - Threats (Section 6); and
  - Strategic Directions (Section 7).

## **2 Background on the AOSSG**

- 2.1 The International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) are increasingly accepted in the Asia-Oceania region, with many jurisdictions in the region having adopted IFRSs, considering the adoption of IFRSs or making progress towards convergence with IFRSs.
- 2.2 Given the growing economic importance of the Asia-Oceania region, stakeholders have increasingly suggested that accounting standard-setters in the region should play a more prominent role in global standard-setting, to maintain the momentum towards global standards and support the credibility and responsiveness of the IASB.
- 2.3 With that background, the AOSSG, a group of recognised accounting standard-setters from jurisdictions in the Asia-Oceania region was established in 2009.

### **AOSSG Objectives**

- 2.4 As identified in the Memorandum of Understanding (MOU), the AOSSG aims to:
  - 2.4.1 promote the adoption of, and convergence with, IFRSs by jurisdictions in the region. The AOSSG does not endorse IFRSs for the region—AOSSG members may individually have that role in respect of their jurisdictions;
  - 2.4.2 promote consistent application of IFRSs by jurisdictions in the region by resolving common accounting issues to enhance transparency of financial markets in the region;

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<sup>1</sup> Prior to this, the AOSSG [Vision Paper](#) and [Memorandum of Understanding \(MOU\)](#) together implicitly outlined the AOSSG's strategies, some of which have been pursued and others that may be pursued in the future.

- 2.4.3 coordinate input from the region to the technical activities of the IASB, in the public interest of the region, and play an active role in technical activities of the IASB to contribute to a single set of high quality global financial reporting standards; and
- 2.4.4 cooperate with governments and regulators and other regional and international organisations to improve the quality of financial reporting in the region to improve accounting practices, enhance the quality of financial reporting and facilitate cross-border trade, investments, and governance in the region.

### **3 Strengths**

3.0 Section 7 Strategic Plan outlines an Actions Plan to benefit from and enhance the following strengths.

#### **3.1 Providing collective regional views**

3.1.1 So much of the AOSSG's usefulness to the IASB is its policy of providing collective regional views, and not just one conformed view, to the IASB. The IASB has been openly recommending<sup>2</sup> the AOSSG's model to other regions that are/were considering establishing a similar regional accounting body.

#### **3.2 Technical competence of the AOSSG**

3.2.1 Although many AOSSG member organisations are just beginning to develop their technical accounting and standard-setting knowledge, the AOSSG includes member organisations with staff experienced and well-regarded for their extensive technical accounting knowledge. This has been useful to the AOSSG in earning the respect of members and staff of the IASB, the IFRS Foundation and other national standard-setters regionally and globally, including gaining a place on the IASB's Accounting Standards Advisory Forum (ASAF).

3.2.2 The AOSSG has been able to direct the IASB's attention to AOSSG's concerns with particular topics. This is illustrated by the IASB considering amendments to IAS 41 *Agriculture* in relation to the accounting for bearer plants, the addition of the accounting for foreign currency transactions and the equity method of accounting to the IASB's research agenda, and the inclusion of several AOSSG member organisations on the IASB's Islamic Advisory Group.

#### **3.3 Individuals representing AOSSG member organisations**

3.3.1 The ability to influence the IASB and the IFRS Foundation stems from the committed and dedicated individuals representing AOSSG member organisations. These individuals have built relationships with IASB and IFRS Foundation members and staff, attend and provide constructive views at IASB

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<sup>2</sup> As quoted by Hans Hoogervorst, IASB Chairman, in his address at the KASB Seminar in Seoul, Korea April 2012, "the AOSSG... serves as a very helpful sounding board for the IASB"; and Wayne Upton in his interview with Robert Bruce (financial journalist) in December 2011, "the regional groups, such as the AOSSG, have been remarkably effective. This group really should be the model for gathering people in one place. There isn't a single Asia-Oceania view on most issues."

and IFRS Foundation forums, including roundtables and international conferences, and are at the forefront in responding to IASB, IFRS Foundation and the IFRS Interpretations Committee (IC) requests for comment.

3.3.2 Although AOSSG member organisations are spread across the region and face an issue of varied time zones, they regularly meet and/or communicate by electronic and other means, which enables the sharing of knowledge and information through technical discussions and education sessions at the Working Group (WG) or at an AOSSG-wide level.

### **3.4 Representation at the IASB's ASAF**

3.4.1 The AOSSG, as well as, the Australia, China and Japan national accounting standard-setters are members of the ASAF.

## **4 Weaknesses**

4.0 Section 7 Strategic Plan outlines an Actions Plan to help overcome the following weaknesses.

### **4.1 Losing previous Office Bearers and experienced member standard-setters**

4.1.1 Despite the AOSSG being fortunate in having individuals who are technically and strategically competent (refer to paragraph 3.3 above), the AOSSG will face an issue of a number of previous Office Bearers and experienced staff members from key AOSSG member organisations approaching retirement or leaving their respective member organisations. Most of these individuals have been involved with the AOSSG since the commencement in 2009, and accordingly, have a great understanding of the background, operations and technical views of the AOSSG.

### **4.2 Voluntary contribution by member organisations**

4.2.1 Compared to other regional bodies, e.g. the European Financial Reporting Advisory Group (EFRAG), the AOSSG is disadvantaged by not being a funded group, and not having permanent technical or secretariat staff of its own<sup>3</sup>. The operations and technical activities of the AOSSG are undertaken by staff members of member organisations on a contributory basis, in addition to the activities of their respective member organisations. Further, much of the contribution is mostly dependent on the enthusiasm of the leader<sup>4</sup> of the member organisation for the aims of the AOSSG mentioned in paragraph 2.4 above.

4.2.2 If AOSSG activities need to expand, staff members will have to spend more time on AOSSG activities, and accordingly, there would be a strong need for the AOSSG to have permanent technical and secretariat staff members that are focused solely on AOSSG activities.

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3 The idea at the inception of the AOSSG was that member organisations contribute some staff members to manage the AOSSG operations and technical activities. The Secretariat function is provided by the AOSSG Chair as required by the MOU.

4 Typically, the leaders of the many AOSSG member organisations can change every two or more years.

### **4.3 Low engagement by some member organisations**

4.3.1 A number of member organisations have been inactive in AOSSG's activities due to insufficient resources or an apparent low level of interest.

### **4.4 Insufficient member organisations capable of leading**

4.4.1 It is planned that each member organisation will have an opportunity to lead the AOSSG as long as the criteria set out in the *Criteria and Processes for Appointment of the AOSSG Chair and Vice-Chair* are met. Some member organisations will face certain constraints, for example, few resources and technical capabilities, that would prohibit them from leading.

## **5 Opportunities**

5.0 Section 7 Strategic Plan outlines an Actions Plan to take advantage of the following opportunities.

### **5.1 Pilot IFRS Centre of Excellence in Nepal**

5.1.1 The establishment of a pilot IFRS Centre of Excellence (COE) in Nepal as the AOSSG's initiative to 'build standard-setting capacity within the region' has been noted internationally. This initiative has helped raise the AOSSG's profile more widely as a supporter of a single set of global standards.

5.1.2 The AOSSG needs to consider a funding mechanism to sustain this initiative as member organisations assisting in the COE are facing resource (funding and staff) constraints (refer also paragraph 6.3 below).

### **5.2 Provide thought leadership topics**

5.2.1 AOSSG members have the opportunity to undertake thought leadership topics or topics that analyse emerging issues in the region, either individually or collaboratively. When the IASB more actively undertakes its research projects, the AOSSG could contribute very meaningfully to the IASB's findings.

### **5.3 Work closely with the IFRS Foundation Asian-Oceanian Office**

5.3.1 The IFRS Foundation has indicated that it plans to embark on more activities in the Asia-Oceania region, including an analysis on first-time application of IFRS, outreach activities on current agenda topics and post-implementation reviews. This provides the AOSSG with an opportunity to continue to build on its profile within, and relationship with, the IFRS Foundation through collaboration.

## **6 Threats**

6.0 Section 7 Strategic Plan outlines an Actions Plan to help overcome the following threats.

### **6.1 Possible loss of AOSSG impact due to other international pressures**

6.1.1 It is possible that the challenging economic and political environment in other parts of the world would lead to a relative loss of AOSSG's impact in the development of a single set of global accounting standards.

## 6.2 Modifications of IFRS

6.2.1 The AOSSG notes the challenges in some jurisdictions in adopting or transitioning to IFRS, and therefore, there is no one adoption/transition method that fits all jurisdictions. Member organisations need to be mindful of the AOSSG's objectives<sup>5</sup> when developing and implementing their long-term IFRS adoption plans and avoid, if possible, making modifications to IFRS.

## 6.3 Ability to continue contributing meaningfully due to funding pressures

6.3.1 Member organisations may struggle to continue funding their involvements with the AOSSG. For example, contributing meaningfully to the AOSSG's aims and IASB's technical activities often necessitates face-to-face participation at, for example, roundtables and conferences, with the IASB and within the AOSSG.

## 7 Strategic Plan

7.1 The AOSSG identified the following four broad areas of strategic direction to deal with the analyses in Sections 3 to 6 above:

- Continue to contribute constructively to the IASB's current agendas
- Continue to build on the AOSSG's technical competence
- Continue to build on the AOSSG's profile and voice internationally and regionally
- Consider alternative measures to deal with funding pressures

7.2 The Action Plan below outlines the actions that need to be pursued, and the timeframe and priorities within the next four years to drive these strategic directions.

Action plan	SWOT para ref.	Prio -rity	Timing of work	Responsi-ble parties
<b>1. Continue to contribute constructively to the IASB's current agenda by:</b>				
1.1 communicating with the IASB and the IFRS IC through regular face-to-face meetings <sup>6</sup> , e.g. annual meeting and interim meetings, to discuss IASB and AOSSG technical activities	3.1, 3.2, 5.3, 6.1	High	Ongoing	All members
1.2 providing regional views through written submissions on IASB/IFRS IC consultative documents	3.1, 3.2, 5.3, 6.1	High	Ongoing	All members

<sup>5</sup> The AOSSG's objectives include promoting the adoption of IFRS in the region and developing a single set of global accounting standards

<sup>6</sup> Such meetings would represent the collective views of the AOSSG, including meetings where individuals from member organisations represent the AOSSG, and not represent the individual member organisation.

**AOSSG Strategic Plan 2015 - 2019**

Action plan	SWOT para ref.	Prio -rity	Timing of work	Responsi-ble parties
1.3 participating in post-implementation review discussions	3.1, 3.2, 5.3, 6.1	High	Ongoing	All members
1.4 undertaking more, individual <sup>7</sup> or collaborative, research projects, thought leadership topics or topics that analyse emerging issues in the region	5.2, 5.3, 6.1	High	Ongoing	All members
1.5 responding to the requests of the ASAF Working Party (WP) Leader to ensure member organisations' views are represented more directly at the IASB's ASAF meeting	3.1, 3.4	High	Ongoing until further notice	WG leaders and ASAF WP members
1.6 offering to discuss AOSSG views reflected in its submissions more directly and promptly with IASB staff, particularly on topics that are more complex (new activity)	3.1, 3.2, 5.3, 6.1	Medium	Re-assess by end-2015	WG leaders
<b>2. Continue to build on the AOSSG's technical competence by:</b>				
2.1 meeting face-to-face at least once a year, at annual meetings, to discuss technical accounting matters including those in the region	3.2, 3.3, 4.4	High	Ongoing	All members
2.2 communicating actively with member organisations that are less active (new activity)	4.3, 4.4	High	Ongoing	Secretariat
2.3 identifying key individuals and staff who are dedicated to the aims of the AOSSG, technically competent, has the ability to think strategically and impact regionally and globally to represent member organisations	3.3, 4.2	High	Ongoing	All members
2.4 providing key individuals and staff exposure to technical and strategic AOSSG matters, including attending annual meetings, interim meetings, WG or CAC meetings, providing relevant technical training, and building relationships with individuals from other member jurisdictions	3.3, 4.2	High	Ongoing	All members
2.5 conducting educational sessions through the most effective and efficient manner, e.g. face-to-face education sessions in conjunction with other meetings like IFASS or the IASB World Standard-Setter, and education sessions via teleconference and other online methods	3.2, 3.3, 4.4, 6.3	Medium	Re-assess by end-2015	WG leaders

<sup>7</sup> Research consistent with the IASB agenda, thought leadership and other emerging topics may be undertaken initially by individual member organizations and then provided to AOSSG members for comment or further input.

## AOSSG Strategic Plan 2015 - 2019

Action plan	SWOT para ref.	Prio -rity	Timing of work	Responsi-ble parties
2.6 considering the need for, and if so, how to establish a permanent AOSSG secretariat function, possibly in a central location, including the operations, funding and other funding means such as via staff secondments (new activity)	3.3, 4.2	Medi um	By 2017	Chair, VC and CAC
2.7 recruiting accounting standard-setter bodies in the region that are, or have the potential to become, technically strong, strategic and have the ability to contribute regionally and globally	3.2, 3.3	Medi um	Ongoing	CAC
2.8 individuals at member organisations being made available to another member organisation	3.2	Medi um	Ongoing	All members
<b>3. Continue to build on the AOSSG profile and voice regionally and internationally by:</b>				
3.1 reinforcing and reminding members of the AOSSG's commitment to a single set of global accounting standards, for example by encouraging members to provide an update on IFRS issues and adoption/transition plans at AOSSG meetings	3.4, 4.3, 5.2, 6.1, 6.2	High	Ongoing	Chair, VC
3.2 promoting actively and maintaining the use of a single set of IFRS in local jurisdictions, including influencing regulators and other bodies in local jurisdictions	3.2, 3.4, 6.1, 6.2	High	Ongoing	All members
3.3 utilising the AOSSG website more effectively, e.g. publishing thought-provoking technical pieces and providing a brief update of the AOSSG's participation at conferences and roundtables	3.2, 4.3, 5.2, 6.1	High	Ongoing	Website and WG leaders, and Secretariat
3.4 ensuring local stakeholders are aware of the AOSSG and its objectives, and using the AOSSG's channels to the IASB and IFRS IC to report back local financial reporting issues	4.3, 6.1	High	Ongoing	All members
3.5 maintaining close contacts with willing personnel from previous Office-Bearing jurisdictions for specific AOSSG initiatives, for example, the AOSSG's IFRS Centre of Excellence resource (new activity)	3.2, 3.3, 4.1, 5.2	Medi um	Ongoing	Chair, VC and CAC
3.6 engaging actively with Asian-Oceanian members of the IFRS Trustees, IFRS Advisory Council, IASB etc	5.3, 6.1	High	Ongoing	All members
3.7 assessing if further COEs in the region are feasible (depending on available resources) and necessary	4.4, 5.1	High	Early 2015	COEDC WP

**AOSSG Strategic Plan 2015 - 2019**

Action plan	SWOT para ref.	Prio-ri-ty	Timing of work	Respon-si-ble parties
3.8 ensuring AOSSG member organisations are contributing fairly financially to the IFRS Foundation (new activity)	6.1	Medium	Ongoing	All members
<b>4. Consider alternative measures to deal with funding pressures by:</b>				
4.1 seeking external financial backing through donor agencies, accounting bodies, governments and others	5.1, 4.3, 4.4, 6.3	Medium	Ongoing	Relevant members
4.2 using more tele- or video-conferencing facilities, if available, to communicate with IASB or AOSSG members and staff	3.2, 3.3, 4.3, 6.3	Low	Ongoing	CAC and Working Group leaders
4.3 using online methods, such as LinkedIn or the AOSSG website, to share and document technical issues around the region (new activity)	3.2, 3.3, 4.3, 4.4, 6.3	Low	Ongoing	CAC