27 May 2015

Maike Massute
IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Maike

Accounting Standards Advisory Forum – Call for Nominations

The Asian-Oceanian Standard-Setters Group (AOSSG) wishes to continue to contribute towards the development of globally accepted high-quality accounting standards and be reappointed as a member of the Accounting Standards Advisory Forum (ASAF).

The AOSSG has a culture of providing collective views of the Asian-Oceanian region. It currently has 26 member standard-setters from the region: 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, and Vietnam.

This letter has been developed with the benefit of feedback from AOSSG members. The AOSSG membership supports this application for reappointment to the ASAF.

In addition, our member standard-setters have been encouraged, and may choose, to nominate for ASAF membership in their own right.

The AOSSG has, since its inception in 2009 (with IASB encouragement) enjoyed a strong, engaging and positive relationship with the IASB. The AOSSG is actively working to achieve the objectives of the IFRS Foundation and would welcome the opportunity to continue contributing through a second term on the ASAF.

The AOSSG has had the opportunity to actively participate as a member of ASAF since 2013, and through this opportunity, has gained not only extensive experience in gathering the views of members for presentation at the ASAF. In that time the expertise of AOSSG members, including Working Group leaders, has developed considerably and the AOSSG is well-positioned to reflect the diverse views of the region.

The AOSSG confirms it would be prepared to sign the Memorandum of Understanding and considers that it meets the various criteria set down in the Call for Nominations. Attachment A to this letter explains how such criteria are met.

The AOSSG specifically formed an ASAF Working Party in 2013 to brief the individual representing AOSSG. The Working Party is led by the individual representing ASAF and comprises members of the AOSSG Chair's Advisory Committee, leaders of each technical working group and other members so as to achieve a representative membership. Indeed membership of the AOSSG's ASAF Working Party is open to any AOSSG member. The AOSSG's ASAF Working Party has strong linkages to our technical Working Groups. If the AOSSG were to be renominated as a member, the ASAF Working Party and its secretariat will continue to support the individual representing AOSSG on ASAF. The Working Party is also a forum that enables the other members of ASAF from the region to help convey the AOSSG's views at ASAF meetings.

Should the Foundation reappoint the AOSSG to the ASAF, in accordance with the Call for Nominations, the single designated individual to represent AOSSG would be the AOSSG Chair. That is, Clement Chan, the present AOSSG Chair until November 2015 who has been representing the AOSSG since 2013. His successor, when the chairmanship changes in November, will be Jee In Jang, currently the elected AOSSG Vice-Chair and Chairman of the Korea Accounting Standards Board.

If there are any matters on which the IFRS Foundation would wish further documentation or comment, please contact either one of us.

Yours faithfully

Clement Chan
Chair

Jee In Jang
Vice Chair

asian-oceanian standard-setters group

Attachment A

This attachment sets out the case of the Asian-Oceanian Standard-Setters Group (AOSSG) for ASAF membership and for the AOSSG's process for selecting a representative in accordance with the criteria set out in the IFRS Foundation's *Call for Nominations*.

1 The suitability of the AOSSG, as a recognised regional standard-setting organisation, for membership of ASAF

1.1 AOSSG as a recognised regional standard-setting organisation

1.1.1 The AOSSG comprises the standard-setters of 26 member jurisdictions spread throughout Asia and Oceania. This is as defined by the United Nations, which includes the Middle East, North, Central, West, South and South-East Asia, Australasia and the Oceanian Pacific Islands. A brief overview of the AOSSG is provided in Attachment B. A list of members is provided on page 4 of Attachment B. The current Chair of the AOSSG is Clement Chan, Immediate Past President of the Hong Kong Institute of Certified Public Accountants (HKICPA), and the current Vice-Chair is Jee In Jang, Chair of the Korea Accounting Standards Board (KASB). The Vice-Chair is elected by the membership and becomes Chair after two years.

1.2 Technical competence

1.2.1 The AOSSG's current structure is set out in page 6 of Attachment B. The Chair and Vice-Chair are supported by a Chair's Advisory Committee (CAC) comprising eight jurisdictions and by Working Groups devoted to particular technical topics. There are currently 13 Working Groups. Those Working Groups share technical information and have considerably developed their collective expertise in recent years. Accordingly, the Working Groups embody significant expertise which is available to be channelled through AOSSG membership of the ASAF. The CAC also deals with topics for which there is not an existing Working Group (for example, on deferred tax assets).

1.2.2 Working Groups often meet for technical discussions and gather views from the wider membership for inclusion in submissions to the IASB and other organisations, and for the purposes of their own research publications. AOSSG submissions and publications are available on the AOSSG website (www.aossg.org). When making its submissions to the IASB, the AOSSG has a culture of reflecting the collective regional views of AOSSG members, even if some views are inconsistent with one another. The AOSSG aims to fully reflect the diversity of views in the region. We believe that providing collective views enhances the input to the IASB compared with providing a single majority view. The AOSSG's philosophy is to respect the rights of members who may have views that differ from the majority view. Accordingly, the AOSSG

believes it is well-positioned to represent the technical views of standard-setters in the Asia-Oceania region as an ASAF member.

1.3 Scale, degree and expertise of resources available

1.3.1 Many AOSSG member organisations, and individuals representing those member organisations, within the AOSSG have significant experience in standard-setting, in practice, the academe and the other areas relevant to standard-setting. The majority of member organisations have dedicated and full-time technical staff who are able to share their expertise and collaborate in assisting the AOSSG and its Working Groups. Working Group leaders in particular, have considerable technical staff resources available to them, which they can apply to further the work of the AOSSG and its contribution to the IASB.

1.3.2 The Secretariat of the AOSSG comes from the Chair's jurisdiction and works together with the staff of the Vice-Chair's jurisdiction and uses the expertise of people who served in the Secretariats of previous Chairs (Malaysia, Japan and Australia to date). We follow a concept of a virtual Secretariat whose skills and relationships developed with the membership are accumulated across the terms of the various office bearers.

1.3.3 One of the criteria for appointment as AOSSG Vice-Chair (and subsequently Chair) is that the jurisdiction has the resources to fill the position, including leading the AOSSG's efforts as an ASAF member, if the AOSSG retains its ASAF membership. This is with the view that the elected Vice-Chair will then proceed to chair AOSSG and accordingly, lead and facilitate the work of the AOSSG's ASAF Working Party.

1.3.4 The ASAF Working Party was formed in 2013 specifically to brief the individual representing AOSSG on ASAF. The Working Party comprises members of the CAC, leaders of each technical working group and other members so as to achieve a representative membership. Indeed membership of the AOSSG's ASAF Working Party is open to any AOSSG member. The AOSSG's ASAF Working Party has strong linkages to our technical Working Groups. If the AOSSG were to be renominated as a member, the ASAF Working Party and its secretariat will continue to support the individual representing AOSSG on ASAF. The Working Party is also a forum that enables the other members of ASAF from the region to help convey the AOSSG's views at ASAF meetings.

1.3.5 The AOSSG can draw on the expertise of the more than 100 people involved in the AOSSG's activities, as members of the CAC and Working Groups, who work to help generate AOSSG views. The lead jurisdictions of each Working Group are considered to be experts in their topic. We now see expertise fairly evenly spread across the members in each group.

1.3.6 The AOSSG has a dedicated website that is regularly maintained by the Secretariat. Further details of the AOSSG, including its Strategic Plan (2015-2019) and its activities, are available on our website (www.aossg.org).

1.3.7 The AOSSG, through its members, has access to topical and industry reference groups on key topics in the region that can be consulted to assess issues arising in practice.

1.4 The AOSSG's knowledge and experience of IFRS and its application

1.4.1 The application of IFRS in Asia-Oceania is set out in Attachment C. It summarises the various levels of IFRS adoption within the region. In the last five years there has been a steady migration of jurisdictions towards the right of the attached table, towards full adoption of IFRS by member jurisdictions.

1.4.2 AOSSG members vary in experience with IFRS, with some members having many years of relevant experience and others having only recently begun the journey. The economies of AOSSG members vary from developing, to emerging, to developed, and accordingly, are a good test of the application of IFRSs.

1.4.3 AOSSG Working Groups prepare the draft submissions for the AOSSG, often after surveying members on various issues. The whole membership then considers final draft submissions before they are signed and submitted by the Chair and relevant Working Group leaders. This internal process has drawn more jurisdictions into the IASB's due processes.

1.5 The AOSSG's contribution to the activities of the IFRS Foundation and the IASB's standard-setting process

1.5.1 The AOSSG continues to aim to promote the adoption of (or convergence with) IFRS and promote consistent application of IFRS by jurisdictions in the region. The AOSSG also aims to be distinctive in making submissions, deliberately avoiding any semblance of lobbyist behaviour, and engaging with the IASB as standard-setters. As such, the AOSSG has a culture of providing collective views of the region to enhance the input to the IASB from the Asian-Oceanian region and not to prevent the IASB from receiving the variety of views that individual member standard-setters may hold. We believe the IASB has been appreciative of the AOSSG's approach.

1.5.2 Since its formation in late 2009, the AOSSG has actively contributed to the work of the IASB by fully participating in almost all IASB requests for comment and relevant IFRS Interpretation Committee surveys of issues. The AOSSG has provided background information to IASB staff on issues and has provided regular opportunities for IASB members to have dialogue within the region. IASB members have met regularly with the AOSSG in AOSSG meetings or roundtables, and have conducted IASB regional technical conferences attached to our conferences. The AOSSG has also proactively raised issues for IASB and Interpretations Committee

consideration (e.g. bearer biological assets in agriculture, IFRIC 15, the implications of IFRS developments for Islamic finance).

1.5.3 AOSSG members are also active in IFASS meetings and in meetings between the regions of the world. More than a third of IFASS meeting participants have come from AOSSG jurisdictions in recent years.

1.5.4 The AOSSG attended and participated in all the ASAF meetings since its membership appointment in March 2013 and actively shared its members' views and practical experience. As committed in its Strategic Plan (2015-2019), the AOSSG aims to undertake more effort to continue to contribute actively and constructively to the IASB's technical agenda, and provide technical support in improving existing standards and the research of the IASB's projects.

1.6 The AOSSG's knowledge of the issues and concerns from its jurisdiction/region

1.6.1 This criterion has been largely covered above by our commentary on the use of Working Groups and ASAF Working Party, the breadth of our membership and by the examples of participation cited. The AOSSG has, since inception, been a full participant in IASB due processes and have commented on all, if not most, IASB consultative documents.

1.6.2 Through its coordination and detailed briefing of members' views within the group, in preparation for participation at the first ASAF, the AOSSG and the individual(s) representing AOSSG on ASAF has/have developed a deeper understanding and knowledge of the issues and concerns from the region.

1.6.3 Other initiatives the AOSSG has supported in the region include the Regional Policy Forum which aims to inform regulators and policy makers about IFRS, address regulatory issues in the region (especially among regulators deliberating on the adoption of IFRS), and highlight concerns when jurisdictions either have, or are contemplating, carve outs from IFRS. We established a pilot IFRS Centre of Excellence (COE) for a Developing Country in Nepal in November 2012 aimed at building the capacity of that jurisdiction to facilitate IFRS adoption. As part of the COE we analysed Nepal's standard-setting capacity and recommended ways to build on the technical knowledge of the board, staff and professional accountants in business. We also delivered IFRS training that were tailored to the needs of the Nepal environment, covering topics such as fair value measurement, financial instruments, revenue, financial statement presentation and disclosure, consolidation, and accounting for associates and joint ventures. Through this pilot initiative, the AOSSG is able to provide insights into the difficulties faced by under-resourced jurisdictions in adopting IFRS. In addition, AOSSG office bearers have presented in various jurisdictions in the region, including those contemplating adoption of IFRS.

1.7 The scale of the capital market in the country and region

1.7.1 Asia-Oceania represents around 21 trillion USD or 31%[1] of world capitalisation in listed equity markets at the end of 2014 and has a GDP of about 20 trillion USD[2] at the end of 2014. The trend is for growth in all these indicators.

1.8 How the AOSSG intends to seek input from and represent the perspectives of NSS within its region (where relevant)

1.8.1 The AOSSG, if it were renominated as a member of the ASAF, will continue to be supported by the AOSSG ASAF Working Party specifically formed to brief the individuals representing AOSSG and other Asian-Oceanian members selected to represent their own jurisdictions, on the ASAF. That Working Party also has strong linkages to the existing technical Working Groups.

1.8.2 The AOSSG has a strong network of contacts throughout the global and regional standard-setting communities, with regulators, IASB Board and staff members. It would continue to make full use of that network.

1.8.3 The AOSSG would also continue to conduct its formal annual meeting and to meet informally, whenever necessary and efficient, to discuss, for example, emerging issues and IASB technical topics.

2 The Suitability of the Individual Proposed to Represent the AOSSG in terms of ability to contribute meaningfully and provide reliable and relevant advice

2.1 Technical Expertise, Experience and Practical Knowledge of Accounting Issues in the Asia-Oceania Region

Clement Chan

2.1.1 The AOSSG Chair, Clement Chan, has a strong general technical knowledge of IFRS and is Chair of the AOSSG's ASAF Working Party. In those roles, he is well-positioned to provide the ASAF with the collective views of AOSSG members.

2.1.2 Mr Chan is the Managing Director of the assurance division of BDO Hong Kong, overseeing the accounting and financial reporting technical function. He is also a member of the Global Audit Steering Committee and an advisor to the IFRS global working group of BDO International.

2.1.3 Mr Chan actively participates in standard setting and governance activities of the HKICPA in his position as Immediate Past President. He was Chairman of the

---

1 World Federation of Exchanges, *2014 WFE Market Highlights*, page 5

2 International Monetary Fund, World Economic Outlook Database, October 2014

Financial Reporting Standards Committee and Regulatory Reform Working Group, and Deputy Chairman of the Registration and Practising Committee.

2.1.4 Apart from his roles as Chair of the AOSSG and Chair of the AOSSG's ASAF Working Party, he actively serves a number of public interest bodies, including the Foreign Expert Advisory Committee on drafting of auditing standards in China, Securities and Future Appeals Tribunal, Higher Rights Assessment Board, the Hong Kong Trade Development Council Professional Services Advisory Committee and Process Review Panel of Securities and Futures Commission.

2.1.5 Mr Chan also chairs the AOSSG IFRS for SMEs Working Group and actively participates in other AOSSG Working Groups in regard to the topics of Financial Instruments, Leases, Revenue Recognition, Fair Value Measurement, Consolidation, Financial Statement Presentation and Disclosure, Insurance Contracts and Agriculture. He represents the AOSSG as key speaker on various IFRS topics at international conferences. In addition, he has been promoting the adoption of IFRS in the region by hosting educational seminars for delegations from other AOSSG member jurisdictions in Hong Kong.

Jee In Jang

2.1.6 The AOSSG Vice-Chair, Jee In Jang, is Chairman of the KASB and will be the next AOSSG Chair in November 2015 as elected by members. Dr Jang will thereby succeed Mr Chan as the representative of the AOSSG at ASAF meetings if the AOSSG were to be reappointed as a member of the ASAF.

2.1.7 Dr Jang has dedicated himself to the regional objectives and activities of the AOSSG. He oversees all the AOSSG Working Group activities that the KASB leads (insurance contracts, rate-regulated activities, and financial statement presentation and disclosure) and participates in (including fair value measurement, financial instruments, leases and revenue). He coordinates with the Chair of the AOSSG in formulating the regional comments on due process documents, amendments and new IFRS standards issued by the IFRS Foundation.

2.1.8 Dr Jang played a pivotal role in facilitating a successful adoption and implementation of IFRS in Korea. He was a member of the Accounting Standard Deliberation Committee of the Financial Supervisory Service and served as a committee member of the IFRS Adoption Task Force of Korea from 2009 to 2010 while he was President of the Korean Accounting Association. He also played a key role in analysing the effects of IFRS adoption on Korea.

2.1.9 In addition, Dr Jang's academic experience has enhanced the research activities of the KASB and AOSSG, which led to, among others, a significant and extensive research paper on equity method of accounting, which we believe laid the groundwork for the IASB's research project. He is experienced in developing a great number of research

papers on the effect analysis of accounting standards and on other accounting related matters.

2.1.10 Dr Jang was previously Professor of Accounting at Chung-Ang University, Korea, where he served as Vice-President and Dean of the Graduate School of Management. He was a Visiting Scholar at Griffith University, Australia and Assistant Professor at Syracuse University, U.S.A. He completed his PhD at the State University of New York (Buffalo) in U.S.A.

2.1.11 Dr Jang also played a prominent role in the field of accounting consultancy and evaluation, and worked closely with governments, regulators and companies. He provided independent consultancy services to the Ministry of Environment, the Ministry of Strategy and Finance, and the Financial Supervisory Service in Korea, and conglomerates such as Samsung and LG. He also chaired the Performance Evaluation Committee of Government-owned Enterprise and Government Performance Evaluation Committee of Korea. He therefore possesses a multidimensional and broad perspective of financial reporting and standard setting.

Attachment B

asian-oceanian standard-setters group

Outline and Activities of AOSSG

www.aossg.org
chair@aossg.org vice-chair@aossg.org

1 Introduction

This paper outlines the nature and activities of the Asian-Oceanian Standard-Setters Group (AOSSG), a body consisting of accounting standard-setters in the region. This paper may be of interest to various stakeholders both inside and outside the AOSSG membership and might be referenced in a number of ways including the following:

- For AOSSG members, to stimulate debate regarding how to advance the group's activities in the future;
- For potential new members and observers, to properly understand the AOSSG's operations before participating in the group and to consider what type of contribution they might make to AOSSG activities;
- For the IASB, the IFRS Interpretation Committee, and the IFRS Foundation Trustees, to better understand how the AOSSG can best contribute to the development of global financial reporting standards;
- For other regional bodies or national standards setters in other regions, to better understand whether and how to collaborate with each other; and
- For stakeholders in each jurisdiction in the region, to better understand why and how national standards setters could be working with the AOSSG.

2 Who we are - outline of the AOSSG

Establishment of the AOSSG

1. The International Financial Reporting Standards (IFRSs) are increasingly accepted in this region, and many Asia-Oceania jurisdictions have either adopted IFRSs, are considering adoption of IFRSs or making progress towards convergence with IFRSs. Given the growing 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. With that background, the AOSSG, a group of recognised accounting standard-setters from jurisdictions in the Asia-Oceania region, was established in 2009.

2. Map 1 below highlights the jurisdictions of the AOSSG members in the Asia-Oceania region and Table 1 below outlines the AOSSG member accounting standard-setters.

Map 1: Jurisdictions of the AOSSG members

asian-oceanian standard-setters group

Table 1: List of the AOSSG members[1]

1	Accounting Standards Board of Japan
2	Accounting Standards Board of Nepal
3	Accounting Standards Council of Singapore
4	Association of Syrian Certified Accountants
5	Australian Accounting Standards Board
6	China Accounting Standards Committee
7	Dubai Financial Services Authority
8	New Zealand Accounting Standards Board
9	Financial Reporting Standards Council of Philippines
10	Hong Kong Institute of Certified Public Accountants (HKICPA)
11	Institute of Chartered Accountants of Pakistan
12	Iraqi Union of Accountants and Auditors
13	Korea Accounting Standards Board
14	Malaysian Accounting Standards Board
15	Ministry of Finance of Brunei Darussalam
16	Ministry of Finance of Vietnam
17	Mongolian Institute of Certified Public Accountants
18	National Accounting Council of Cambodia
19	National Association of Accountants and Auditors of Uzbekistan
20	Saudi Organisation for Certified Public Accountants
21	The Chamber of Auditors of the Republic of Kazakhstan
22	The Committee for the Registry of Auditors and Accountants of Macao SAR
23	The Financial Accounting Standards Board – Indonesian Institute of Accountants
24	The Federation of Accounting Professions of Thailand
25	The Institute of Chartered Accountants of India
26	The Institute of Chartered Accountants of Sri Lanka

1 Members in the table are listed in an alphabetical order.

Objectives of the AOSSG

4. As stipulated in its Memorandum of Understanding, the AOSSG has the following four objectives:

   (a) Promoting the adoption of, and convergence with, the IFRSs by jurisdictions in the region

   The AOSSG aims to promote the adoption of, and convergence with, the 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.

   (b) Promoting consistent application of the IFRSs by jurisdictions in the region

   The AOSSG aims to promote consistent application of the IFRSs in resolving common accounting issues to enhance transparency of financial markets in the region.

   (c) Coordinating input from the region to the technical activities of the IASB

   The AOSSG aims, in the public interest of the region, to play an active role in technical activities of the IASB and contribute to a single set of high quality global financial reporting standards.

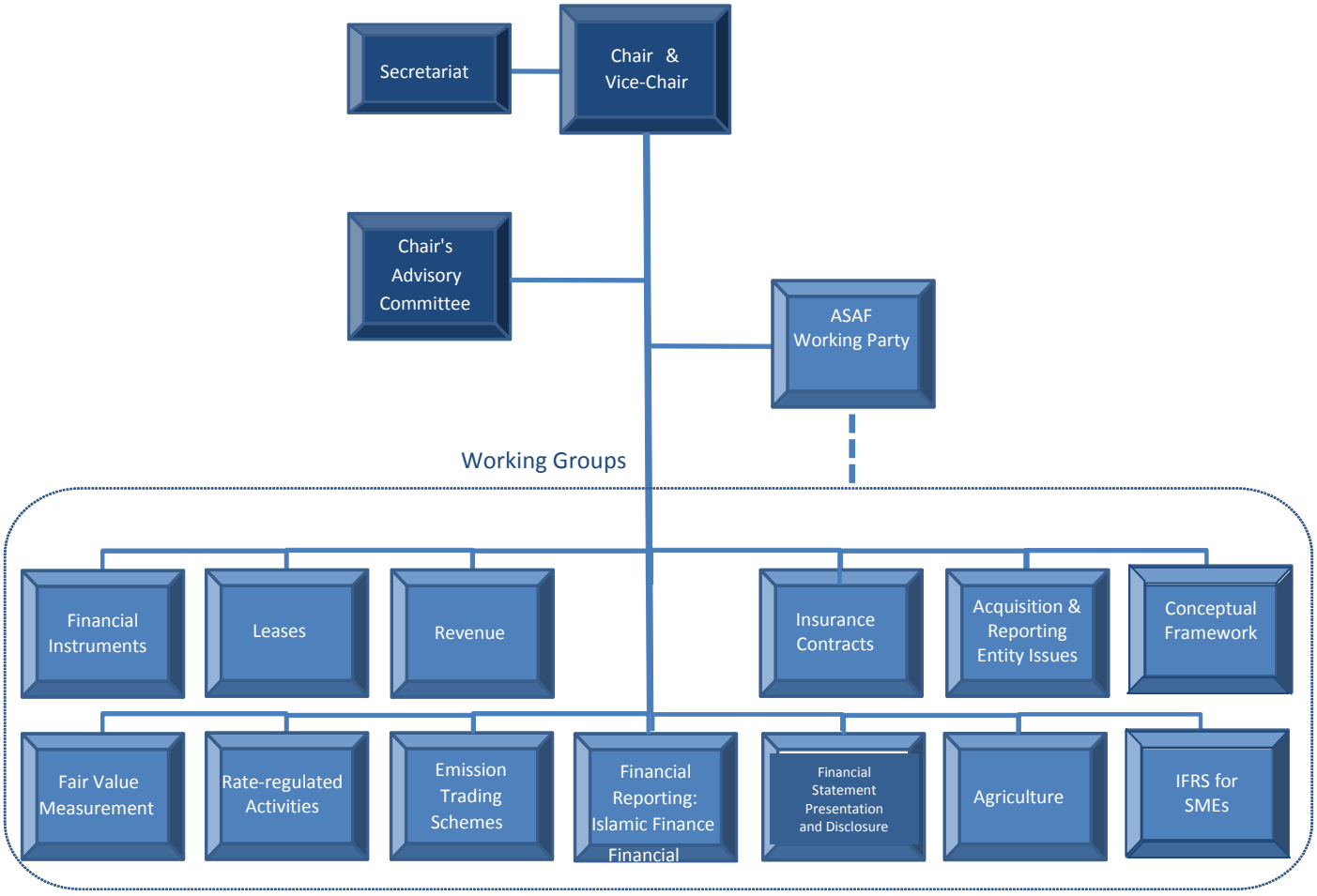
   (d) Cooperating with governments, regulators and other regional and international organisations to improve the quality of financial reporting in the region

   The AOSSG aims to establish relationships with governments, regulators, and other regional and international organisations to improve accounting practices, enhance the quality of financial reporting and facilitate cross-border trade, investments, and governance in the region.

Organisational structure and members

5. Figure 1 below illustrates the way in which the AOSSG operates.

Figure 1: Organisational Structure of the AOSSG



Chair and Vice-Chair

6. The AOSSG has an elected Chair (currently held by the Hong Kong Institute of CPA) and Vice-Chair (currently held by the Korea Accounting Standards Board). The term of the Chair and Vice-Chair is two years, upon which time the Vice-Chair assumes the Chairmanship.

7. The Chair monitors the progress/functions of the Working Groups and serves as a liaison with other organisations, governments, and regulators in the region and in the world for the purpose of learning other stakeholders' circumstances and advancing the interests of the AOSSG. In addition, the Chair coordinates topical discussions and activities among the AOSSG members.

Working Groups

8. Working Groups are established when (1) the IASB establishes a long-term technical project that would require continuous monitoring and significant fact-finding or (2) member jurisdictions identify a common regional technical issue.

9. Working Group members typically involve member jurisdictions that are the technical and/or operational experts on the subject matter.

10. The leader of the Working Group is elected by members and is responsible for coordinating and understanding the views of AOSSG members, and formulating AOSSG comment letters.

11. Working Groups, through coordination by the leader, typically:

    (a) monitor the IASB progress on a topic with a view to undertaking research necessary for the AOSSG to respond to IASB consultative documents and post-implementation reviews;

    (b) facilitate the AOSSG's contribution (including submitting ideas and recommendations) to the IASB's Exposure Drafts and other consultations;

    (c) deal with implementation or other issues on a topic that the AOSSG might bring to the attention of the IASB or the IFRS Interpretations Committee;

    (d) prepare issues papers for discussion within the Working Group and/or present them to the IASB or the AOSSG with a view to assist other AOSSG members in their understanding of issues relating to the topic; and

    (e) establish contacts among relevant stakeholders and within the IASB.

12. Working Group members communicate regularly via teleconference or email, and meet face-to-face when feasible.

Accounting Standards Advisory Forum (ASAF) Working Party

13. The AOSSG's ASAF Working Party was specifically formed to brief the individual representing the AOSSG on the IASB's ASAF[2].

14. The AOSSG's ASAF Working Party leader is typically the individual representing the AOSSG on the IASB's ASAF and is responsible for coordinating and providing the collective views of AOSSG members when advising the IASB on its requests.

15. The AOSSG's ASAF Working Party members have strong linkages to the existing technical Working Groups and include at least existing technical Working Group leaders and CAC members. Working Party members are expected to respond to requests for

2 The individual currently representing the AOSSG on the IASB's ASAF is the AOSSG Chairman, Mr Clement Chan.

views from the ASAF Working Party leader by commenting on the relevant ASAF agenda papers.

Chair's Advisory Committee (CAC)

16. The CAC supports the organisational operations conducted by the Chair and Vice-Chair and deals with technical topics that the organisation's existing Working Groups do not cover. The Committee consists of the Chair, the Vice-Chair and other members appointed by the Chair and the Vice-Chair. The CAC meets every two months, usually via teleconference.

Secretariat

17. The Chair provides the Secretariat role during its term. The Secretariat is the main contact person internally and externally for all AOSSG matters and plays a vital role in coordinating the organisation's work.

18. The AOSSG currently utilises the experiences of former Secretariats, including in undertaking technical and corporate/operational matters, and building relationships within the membership and with the IASB. This ensures continuity of Secretariat operations and provides a platform for lasting relationships with members and external stakeholders, including IASB members and staff.

3 Role of the AOSSG

Communicating regional views

19. The AOSSG communicates with the IASB (primarily), the IFRS Interpretations Committee, IFRS Foundation Trustees, IFRS Advisory Council and IFRS Foundation Monitoring Board on an ongoing basis mainly through written submissions.

20. In addition, the AOSSG meets face-to-face with IASB members and staff at its annual and interim meetings to discuss AOSSG's views in relation to the key IASB technical and other activities, as well as AOSSG technical initiatives.

21. When commenting on IASB documents, AOSSG's views reflect the collective views of AOSSG members without interfering with the authority of member standard setters regarding whether and how to apply the standards proposed or published by the IASB. If AOSSG members hold differing views, those differing views are reflected within AOSSG comment letters. Individual member standard-setters may also choose to make separate submissions that are consistent or otherwise with aspects of the AOSSG comments. The intention of the AOSSG is to enhance the input to the IASB from the Asia-Oceania region and not to prevent the IASB from receiving the variety of views that individual member standard-setters may hold.

Sharing IFRS knowledge and information

22. The AOSSG is exploring how it can effectively deepen the understanding of IASB's proposals in the region as well as better identify implementation issues in the region. To this end, the AOSSG has participated in educational activities. The region has jurisdictions with different levels of IFRS implementation – some jurisdictions have already adopted IFRSs while others are in the process of adopting or converging with IFRSs.

23. Through the education activities, members try to build capacity through sharing knowledge and experiences, including through jurisdictions with particular expertise assisting other jurisdictions.

Research activities

24. The AOSSG conducts research and publishes its findings. For example, the AOSSG published a research paper on financial reporting relating to Islamic finance in 2010. The purpose of the research paper is to examine and explain issues in applying the IFRSs to Islamic financial transactions in a more holistic manner. This paper has been referenced by the IASB in its deliberations on current topics. The AOSSG believes that this publication is a model for its future activities and plans that more research activities be undertaken in this proactive manner.

25. In selecting research topics, the AOSSG is mindful of the IASB's needs and the needs of AOSSG members.

Outreach and post-implementation reviews

26. The AOSSG is currently developing its capacity to assist the IASB in its outreach and post-implementation reviews as a region. Such reviews assist the IASB to identify areas that have been understood differently from the manner originally intended or areas where standards are regarded as insufficient in promoting sound financial reporting.

Communicating with stakeholders

27. The AOSSG encourages members to build relationships with their jurisdictional stakeholders. The AOSSG and its members communicate with such parties by a number of means including sharing challenges and experiences at the IFRS Regional Policy Forum. Such communication and collaborative undertakings are particularly important, since standard-setting processes often involve legal or regulatory due-process before standards are endorsed, while regulators usually turn to the expertise of standard-setters on technical accounting matters.

28. The AOSSG uses its website (www.aossg.org) to enable effective and efficient communication among its members and to raise awareness of the AOSSG among other stakeholders. The AOSSG regularly updates information on the website on a wide range of accounting standard-setting issues relevant to entities in the Asia-Oceania region, including activities of the AOSSG Working Groups and AOSSG comment letters to the IASB.

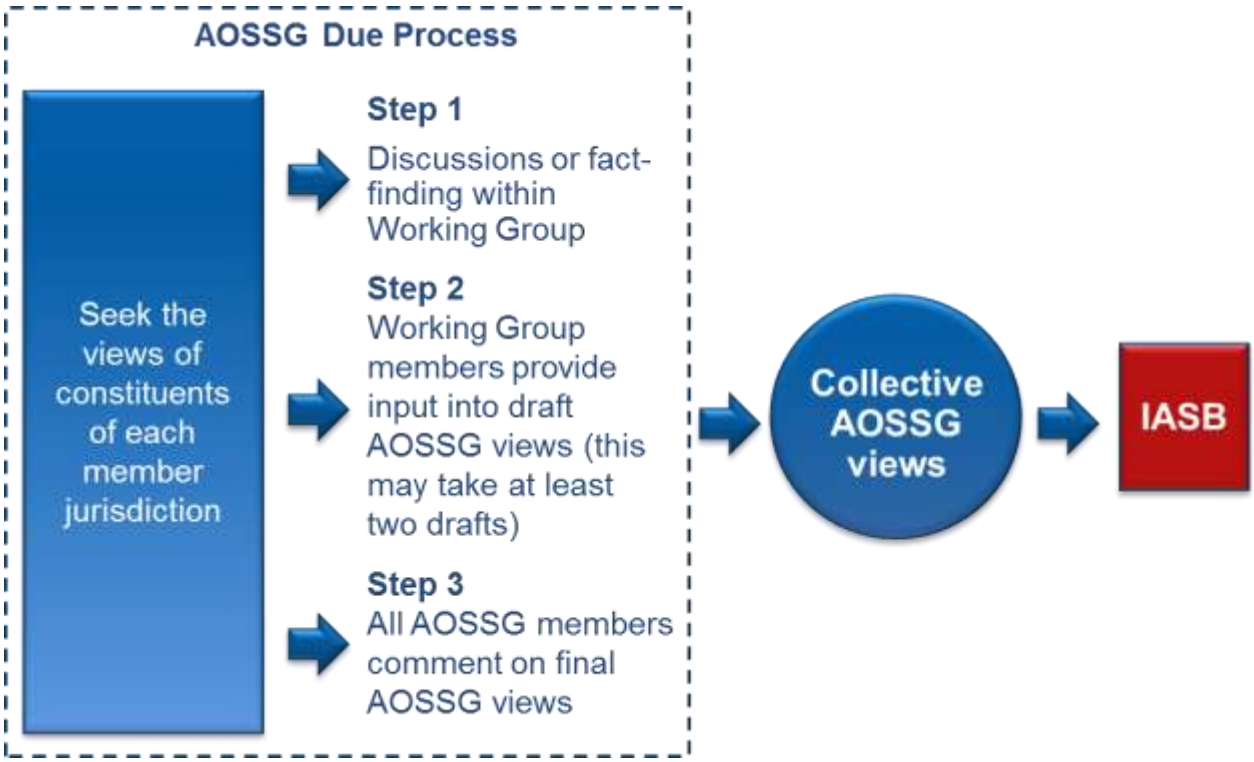
Cooperating with other bodies

29. The AOSSG interacts with bodies with a role associated with standard-setting, including the International Forum of Accounting Standard-Setters (IFASS), European Financial Reporting Advisory Group (EFRAG), Group of Latin-American Accounting Standard-Setters (GLASS), Pan-African Federation of Accountants (PAFA), with the objective of discussing regional accounting standard issues, sharing experiences on the adoption, convergence and application of IFRSs, as well as, providing input to the IASB's standard-setting process.

4 AOSSG Due Process

30. Figure 2 below provides a snapshot of the AOSSG due process for commenting on consultation documents issued by, or technical requests including ASAF papers from, the IASB.

Figure 2: AOSSG Due Process



Attachment C

Application of IFRSs in AOSSG member jurisdictions[1]

Jurisdiction	Domestic Listed Companies						
	Being converged with IFRSs	Fully converged with IFRSs	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for Most	IFRSs Required for All	Audit Report States Compliance with IFRSs
Australia						X	Yes
Brunei			X	X Note 1			
Cambodia						X Note 2	
China		X Note 3					
Dubai International Financial Centre						X	Yes
Hong Kong						X Note 4	Yes
India	X Note 5		X				
Indonesia	X Note 6						
Iraq						X	Yes
Japan	X Note 7		X				
Kazakhstan						X	Yes
Korea						X Note 8	Yes
Macao	No stock exchange in Macao Note 9						
Malaysia			X			X Note 10	Yes
Mongolia						X	Yes
Nepal						X Note 11	
New Zealand						X	Yes
Pakistan						X Note 12	Yes
Philippines						X Note 13	Yes
Saudi Arabia				X Note 14			Yes
Singapore						X Note 15	Yes
Sri Lanka						X Note 16	Yes
Thailand	X Note 17						
Uzbekistan	X Note 18		X	X Note 18			
Vietnam	X						
Total	**6**	**1**	**5**	**3**	**0**	**15**	**14**

Updated in May 2015

1 This table is developed based on publicly available information or information AOSSG members submitted, without performing examination of underlying information on a standard-level.

(Notes to the table)

1. There is no stock exchange in Brunei. Full IFRS adoption will be required for public accountable entities such as banks, financial institutions, insurance companies, and takaful companies. (Takaful companies are similar to mutual insurance companies with effect from 1 January 2014.

2. The Cambodian International Financial Reporting Standards (CIFRS) are mandatory for entities that are required to submit their financial statements for audit and have 'public accountability' as defined by IFRS for SMEs. The Cambodia Securities Exchange launched on 18 April 2012 and requires all listed entities to apply CIFRS.

3. The new Chinese Accounting Standards for Business Enterprises (CASs) were published by the Ministry of Finance (MoF) in 2006, effective January 1, 2007. These standards are substantially converged with IFRSs, except for one modification (i.e. disallow the reversal of impairment loss on long term assets) which reflects China's unique circumstances and environment. In April 2010, the MoF released the roadmap for continuing convergence of CAS with IFRSs. Currently, CASs have achieved full convergence with IFRSs. The CASs are now mandatory for entities including PRC-listed companies, financial institutions and all other large and medium-sized enterprises.

   In December 2007, the Hong Kong Institute of Certified Public Accountants recognised CASs equivalence to HKFRS, which are identical to IFRSs. In December 2010, the Hong Kong Stock Exchange decided to allow mainland-incorporated companies listed in Hong Kong to have an option to present financial statements using CASs and audited by an approved mainland audit firm. The EU Commission permits Chinese issuers to use CAS when they enter the EU market without adjusting financial statement in accordance with IFRS endorsed by EU.

4. Hong Kong is a Special Administrative Region of China. Hong Kong accounting standards are fully converged with IFRSs effective 1 January 2005. The Hong Kong standards contain wording identical to the equivalent IFRS except that the transitional provisions in a few standards that were converged initially with effect from 1 January 2005 were changed to provide the transition from the requirements in the previous HK GAAP. Since 1 January 2005, all HKFRSs issued have the same IFRS effective dates and transitional provisions.

5. The Indian Government has issued the roadmap for implementation of IFRS-converged Indian Accounting Standards (Ind ASs) in phased manner. As per the roadmap:

   Phase I: All companies are permitted to follow Ind AS on voluntary basis for the accounting period beginning on or after 1 April, 2015. Companies having net worth of Rs. 500 crore or more on 31 March, 2014 or the first audited financial statements for accounting period which ends after that date are required to follow Ind AS on mandatory basis for the accounting period beginning on or after 1 April, 2016.

   Phase II: All listed companies and companies having net worth of Rs. 250 crore or more are required to follow Ind AS for the accounting period beginning on or after 1 April 2017.

   All holding, subsidiary, joint venture or associate companies of companies which required to follow Ind AS are also required to follow Ind AS.

   Roadmap for implementation of the Ind AS to banking, non banking finance companies and insurance companies will be issued after consultation with the respective regulator, i.e. Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDA).

6. Indonesia has made significant progress on IFRS convergence and continues to further minimise differences between Indonesian GAAP and IFRSs. A date of adoption has not been decided. Entities are permitted to use IFRSs if those entities are listed in other jurisdictions that require IFRS-based financial reports or are subsidiaries of foreign entities that apply IFRS. As at 1 January 2015, Indonesian GAAP

Updated in May 2015

that is effective in Indonesia is in line (with clear immaterial differences) with IFRSs that are effective 1 January 2014 (one year gap).

7. Accounting Standards Board of Japan (ASBJ) has continued its work to converge Japanese GAAP with IFRSs. In December 2009, the Financial Services Authority of Japan (FSA) published Cabinet Office Ordinances that allowed Japanese companies meeting certain criteria to voluntarily use IFRSs as designated by the Commissioner of the FSA (that is, the 'designated IFRSs') starting from the fiscal year ending 31 March 2010 when they prepare consolidated financial statements under the Financial Instruments and Exchange Act. The requirements of the Cabinet Office Ordinances were subsequently revised in October 2013, to simplify the criteria for voluntary application of IFRSs with a view to encourage further application of IFRS in Japan. In auditing consolidated financial statements prepared in accordance with the designated IFRSs, auditors are required to state compliance with this designated IFRSs in audit reports, but may state compliance with IFRSs (as issued by IASB) as far as both sets of standards are identical (which is the case today). In addition, the ASBJ has progressed with its work to develop the Japan's Modified International Standards (JMIS): Accounting Standards Comprising IFRSs and the ASBJ Modifications. The Exposure Draft of JMIS published in July 2014 was substantially the same with IFRSs as issued by the IASB, while suggesting two areas for modifications.

8. Korea has adopted all IFRSs as issued by the IASB as Korean Financial Reporting Standards effective 2011, with early adoption permitted from 2009.

9. IFRSs are permitted in Macao. Since 2007, financial institutions, public companies and concessionary entities in Macao have been required to comply with the Macao Financial Reporting Standards, which comprise the Framework and 16 IFRSs/IASs issued by the IASB. In addition, some entities in Macao, mainly those in the gaming industry, are listed on the Hong Kong Stock Exchange and apply IFRS according to the Hong Kong Stock Exchange rules.

10. Malaysian Financial Reporting Standards (MFRSs) (which are identical to IFRSs) are required for all non-private entities in Malaysia since 1 January 2012, except for Transiting Entities (i.e. non-private entities within the scope of IAS 41 Agriculture and IFRIC 15 *Agreements for Construction of Real Estate*). In September 2014, the Malaysian Accounting Standards Board announced that Transitioning Entities are mandated to comply with MFRSs by 1 January 2017. Foreign companies listed on Bursa Malaysia may use IFRSs.

11. IFRS adopted as Nepal Financial Reporting Standards (NFRS) are required. They are being implemented for listed companies and government-owned business entities (state owned enterprises) over a three-year period starting in 2014. Full implementation of NFRS will be completed in 2017.

12. All Listed and Public Interest companies are required to follow IASs/IFRSs, however, following exemptions have been provided by the Securities Exchange Commission of Pakistan/ State Bank of Pakistan in certain cases:
    - IAS 39, 40 & IFRS 7 in case of Banks and Developmental Financial Institutions
    - IAS 39 and IAS 40 in case of Insurance Companies
    - Implementation of IFRIC 4 *Determining whether an Arrangement contains a Lease* and IFRIC 12 *Service Concession Arrangements* have been waived for all companies
    - Capitalization of exchange differences according to IAS 21 waived for Power sector companies only

13. The Philippine Financial Reporting Standards (PFRSs) are required for all domestic listed entities. PFRSs are fully converged with IFRSs except for IFRIC 15 *Agreements for the Construction of Real Estate*. The Philippine Financial Reporting Standards Council has deferred the mandatory effective date of IFRIC 15 until the revised IASB Revenue standard is issued and an evaluation of the revised Revenue standard requirements against the practices of the Philippine real estate industry is completed.

Updated in May 2016

14. All banks and insurance companies regulated by the Saudi Arabian Monetary Agency (Central Bank), regardless of whether those entities are listed on the Saudi Stock Exchange, must use IFRSs. Although other entities are not yet permitted to use IFRS, these other entities are required to look to IFRS for guidance on matters where no relevant Saudi Organisation of Certified Public Accountants (SOCPA) Standards or guidance are available. SOCPA is currently working on a plan to endorse IFRS for application by other publicly accountable entities in Saudi Arabia. A date of adoption has been tentatively set to be at the beginning of 2017.

15. Singapore has adopted all IFRSs except for IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments* – as Singapore Financial Reporting Standards (SFRS), with several modifications to the exemption from consolidation and the equity method, transition provisions and effective dates. The non-adoption of IFRIC 2, and the sole modification to the requirements of IFRS, do not affect local companies whose securities are traded in a public market. In May 2014, the Singapore Accounting Standards Council announced that local companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to IFRS for annual periods beginning on or after 1 January 2018. Foreign companies listed on the SGX are permitted to use IFRS.

16. All domestic companies whose securities trade in a public market are required to use Sri Lanka Financial Reporting Standards (SLFRS) which are nearly identical to IFRS.

17. The Federation of Accounting Profession announced a plan to fully adopt IFRSs as the Thai GAAP for the fifty actively trading listed companies in the Stock Exchange of Thailand (SET 50) in 2011. Thereafter, full adoption of IFRSs by SET 100 are planned for 2013. The rest of the listed companies and the companies listed in the Market Alternative Investment (MAI) have to fully adopt IFRSs in 2015. The IASs and IFRSs that will be fully applied to all listed companies as mentioned are those published in the first bound volume 2009 (IFRS 2008).

18. In Uzbekistan, IFRS with some modifications are required for banks by the Central Bank.

Updated in May 2015