



THE 13th ANNUAL AOSSG MEETING

Joining hands in regional cooperation and the development of IFRS

November 22-24, 2021, Virtual Meeting

Request for Information *Third Agenda Consultation*

November 22, 2021

WG led by: China

WG members: Australia, Hong Kong, Indonesia, Japan, Korea, Macao, Mongolia,
Saudi Arabia, Singapore

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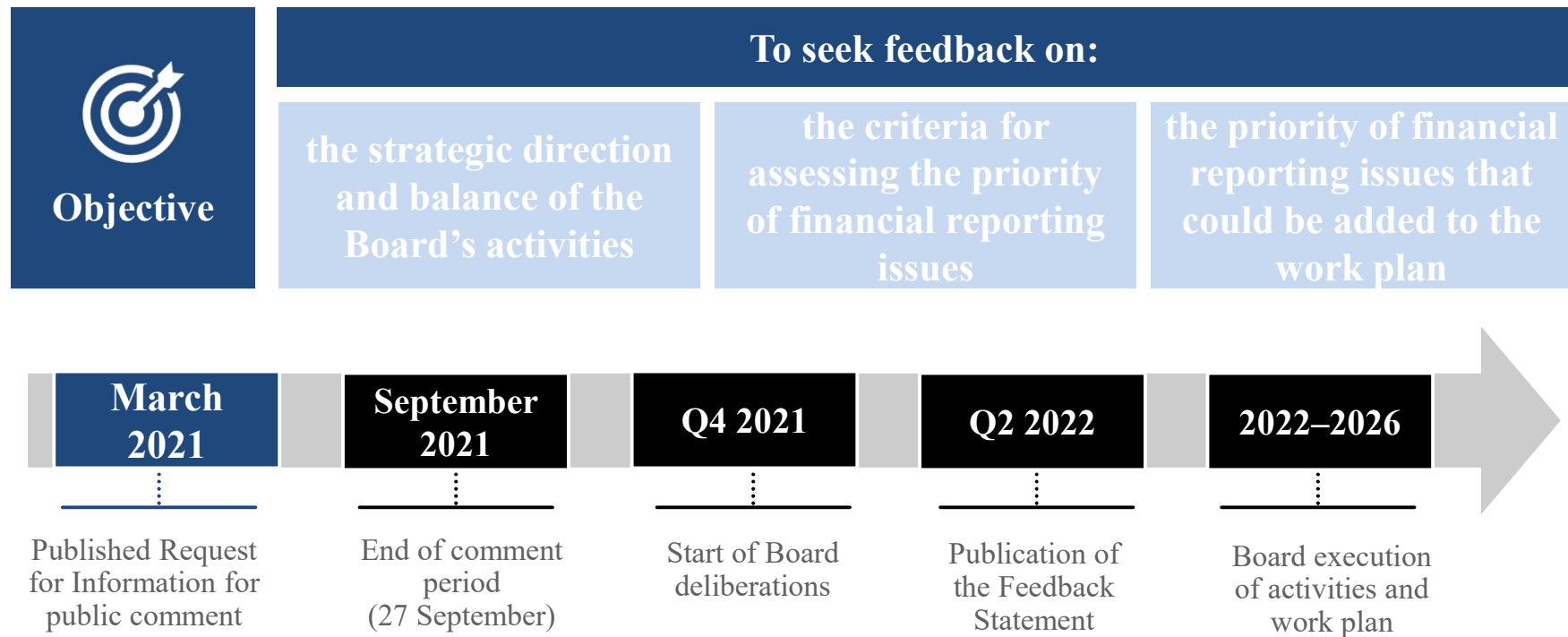
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I. Background

Background



II. What we did

What we did

Attended ASAF March meeting and spoke on behalf of the AOSSG

Outreach plans →

Attended ASAF June meeting and spoke on behalf of the AOSSG

Preliminary views →

Jointly organised an outreach meeting with MASB on the Third Agenda Consultation

Outreach activity →

Collected views of AOSSG members and drafted the comment letter

Comprehensive views

What we did(1/4)-Outreach plans

Attended ASAF March meeting and spoke on behalf of the AOSSG

Timeline	Major project milestones
8 th March 2021	WG members send comments to the WG leader (China)
11 th March 2021	WG leader (China) summarizes and circulates the WG members comments to all AOSSG members
15 th March 2021	All AOSSG members send comments to the WG leader (China)
16 th March 2021	WG leader (China) sends the final AOSSG comments to the secretariat (India)
18 th March 2021	WG leader (China) presents the views of AOSSG members in ASAF March meeting on 18 th March

What we did(2/4)-Preliminary views

Attended ASAF June meeting and spoke on behalf of the AOSSG

Timeline	Major project milestones
10 th June 2021	WG members send comments to the WG leader (China)
16 th June 2021	WG leader (China) summarizes and circulates the WG members comments to all AOSSG members
21 st June 2021	All AOSSG members send comments to the WG leader (China)
24 th June 2021	WG leader (China) sends the final AOSSG comments to the secretariat (India)
28 th June 2021	WG leader (China) presents the views of AOSSG members in ASAF March meeting on 28 th June

What we did(3/4)-Outreach activity

Jointly organised an outreach meeting with MASB on the Third Agenda Consultation

Timeline	Major project milestones
11 st June 2021	The final brochure released for invitation to AOSSG members
19 th July 2021	Registration closing date
27 th July 2021	Virtual outreach session with IASB (Australia, China, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Sri Lanka.....)

What we did(4/4)-Comprehensive views

Collected views of AOSSG members and drafted the comment letter

Timeline	Major project milestones
6 th September 2021	AOSSG WG members send comprehensive views, including stakeholder's views to WG leader (China)
9 th September 2021	WG leader (China) summarizes and circulates the draft comments to AOSSG members
16 th September 2021	AOSSG members send comments to the WG leader (China)
22 nd September 2021	WG leader (China) sends the final AOSSG comment letter to the secretariat (India)
27 th September 2021	The secretariat (India) sends the final AOSSG comment letter to the IASB

III.AOSSG's comments

Request for Information

- 1 Strategic direction and balance of the Board's activities
- 2 Criteria for assessing the priority of financial reporting issues that could be added to the Board's work plan
- 3 Financial issues that could be added to the Board's work plan
- 4 Other comments on the Board's activities and work plan

Strategic direction and main activities

the strategic direction
and balance of the
Board's activities

New IFRS Standards and major amendments to IFRS Standards

Maintenance and consistent application of IFRS Standards

The IFRS for SMEs Standard

Digital financial reporting

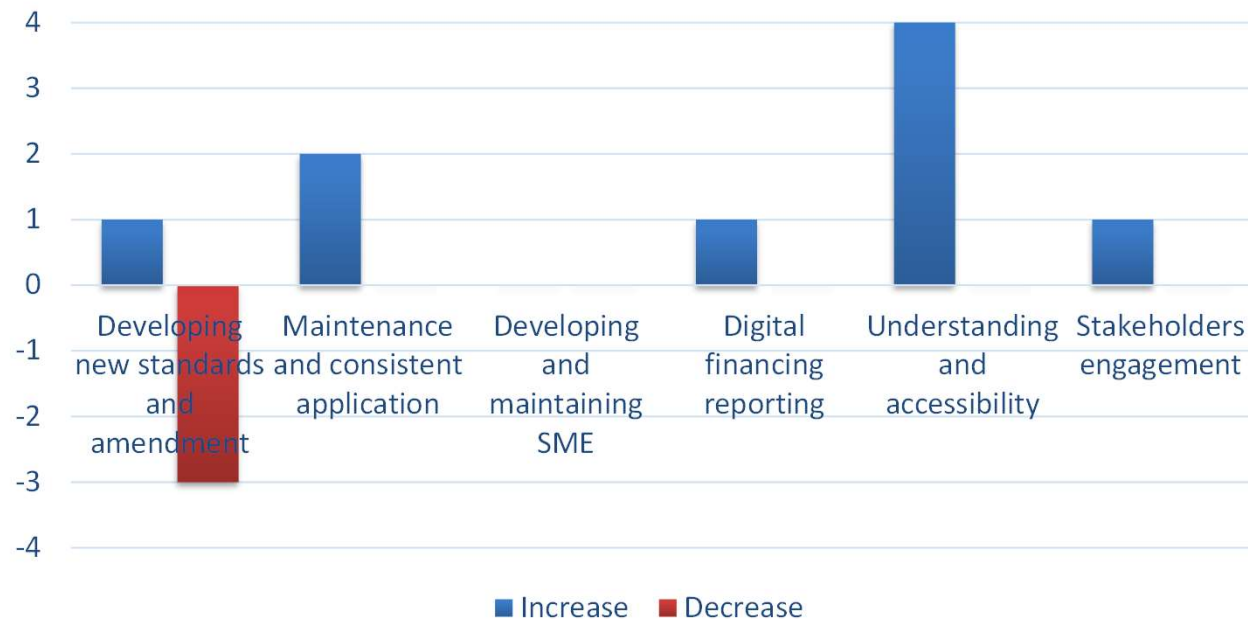
Understandability and accessibility

Stakeholder engagement

Strategic direction and main activities

Summary of views:

- (1) Two members **agree** with Board's current allocation of focus; (HK and Korea)
- (2) Other members have diverse suggestions to rebalance the level of focus, and the summary of suggestions are as following:



- (3) One member suggests the IASB allocate resources to medium-to-long-term research activities to address issues that may not have immediate solutions. (Japan)

Criteria for assessing priority

the criteria for
assessing the priority
of financial reporting
issues

the importance of
the matter to
investors

whether there is a
deficiency in
current reporting

the type of
companies affected
and jurisdictions
where the matter is
more prevalent

how pervasive
the matter is

the potential project's
interaction with other
projects

the complexity and
feasibility of the potential
project and its solutions

the capacity of the Board and
its stakeholders to progress
the potential project

Criteria for assessing priority

Summary of views:

In overall, all members agree with the criteria identified by the IASB. Some suggestions raised from members to improve the assessing system:

- ❖ the IASB provide more transparent and clear information about how it applies the criteria. (China, Korea)
- ❖ the IASB consider using the wordings of “significant divergence” to replace “deficiency” in the second criterion. (Hong Kong)
- ❖ The criteria in RFI should be applied with flexibility depending on the nature of the projects. (Japan)
- ❖ Stratify the criteria into “essential criteria” and “nice to have”. (Malaysia)

Criteria for assessing priority

Summary of views (*continued*):

In terms of any additional criteria, members have the following suggestions:

- ❖ Urgency and timeliness of financial reporting issues. (China)
- ❖ Convergence with US GAAP. (Japan)
- ❖ The age of the IFRS Standards need to be considered to reflect the current conditions. (Malaysia)
- ❖ Economic and regulatory environment impacts. (New Zealand)

Other observation: IASB should explain the link between the seven criteria and the criteria in the Due Process Handbook. (Malaysia)

Financial reporting issues' priority

the priority of financial reporting issues that could be added to the work plan

Described projects				
Borrowing costs	Climate-related risks	Commodity transactions	Cryptocurrencies and related transactions	Discontinued operations and disposal groups
Discount rates	Employee benefits	Expenses (Inventory and cost of sales)	Foreign currencies	Going concern
Government grants	Income taxes	Inflation	Intangible assets	Interim financial reporting
Negative interest rates	Operating segments	Other comprehensive income	Pollutant pricing mechanisms	Separate financial statements
Statement of cash flows and related matters			Variable and contingent consideration	

Financial reporting issues' priority

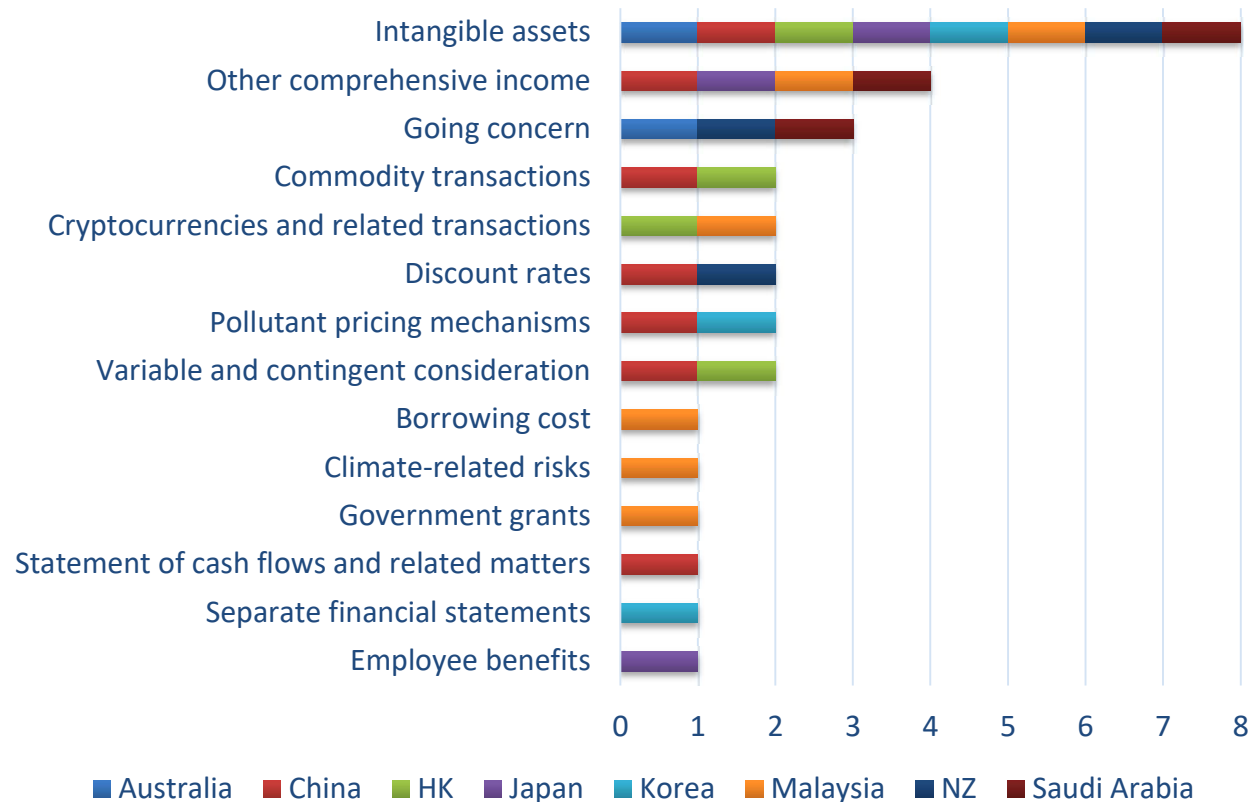
Summary of views:

- (1) All members agree that *Intangible assets* should be assigned as high priority to conduct a comprehensive review as current IAS 38 can't provide useful information about emerging business brought by the modern economy.
- (2) For other *21* potential projects, there are diverse views due to different facts and circumstances in different jurisdictions.

Financial reporting issues' priority

Summary of views *(continued)*:

The potential projects with suggested high priority from members are illustrated as below:



Financial reporting issues' priority

Summary of views (*continued*):

In terms of any additional project that can be added to the Board's work plan, members have the following suggestions:

- ❖ Converge IFRS 13 *Fair Value Measurement* with International Valuation Standards as a medium priority. (New Zealand)
- ❖ Develop accounting requirements for assets acquired at no cost as a medium priority. (New Zealand)
- ❖ Enhance disclosures for determination of materiality. (New Zealand)
- ❖ Review the requirement of IAS 37 as a medium priority. (New Zealand).
- ❖ How not-for-profit entities apply IFRSs as a medium priority. (Saudi Arabia)

Financial reporting issues' priority

Summary of views (*continued*):

In terms of the Board's existing working plan, two members suggest the Board to reassess the priority of the projects in the Board's work plan, as the priority may have changes in accordance with the changes of condition. And the following projects are suggested as high priority to complete:

- ❖ Financial instruments with characteristics of equity. (China)
- ❖ Goodwill and impairment. (Japan)
- ❖ Equity method of accounting. (Japan)
- ❖ Principles of disclosure. (Japan)

Other comments

Summary of other comments on the Board's activities and work plan:

- ❖ The IASB should make forward-looking revision to the *Conceptual Framework* to meet the needs of the rapid development of modern economy. (China)
- ❖ The IASB should take measures to improve the adaptability and timeliness of IFRS Standards. (China)
- ❖ For the work undertaken by the IASB in relation to the “Management Commentary” project, it is commented that it is likely to overlap with the work that is to be undertaken by the coming ISSB, and it is necessary to discuss whether the IASB or the ISSB should address this project going forward. (Japan)

Other comments

Comments on the Board's existing agenda

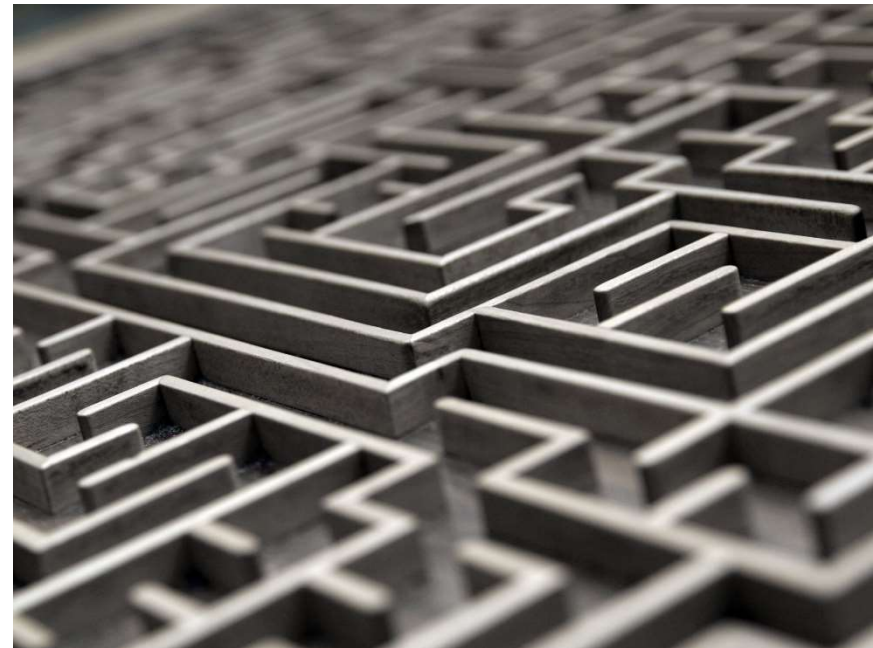
- ❖ One member would like to understand if any other factors other than timing that make the IASB difficult to start the pipeline projects in its agenda. (Japan)

IV. Brain storm

Brain storm about Intangibles

Intangibles-

- What to do?
- When to do?
- How to do?





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Thank you!