

Panel Discussion 2: The Role of the Region in Influencing the Standard-setting Debate

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Current Involvements - by Type

- **As National Standard-setters (NSS)**
 - Including bi-lateral relationships with IASB et al
- **As members of the Asian Oceanian Standard-setters Group (AOSSG)**
 - Multi-lateral relationship within region and with IASB
- **As members of the Accounting Standards Advisory Forum (ASAF)**
 - Formalised relationship between selected NSS and regional bodies with IASB
- **As members of the International Forum of Accounting Standard-setters (IFASS)**
 - Multi-lateral relationship on a global basis and with IASB
- **As a supporter of the Regional Policy Forum**
 - Forming relationships with regulators and other key parties depending on financial reporting in the region

Current Involvements - by Style

- **AOSSG faced a choice between styles:**
 - A. Trading block lobbyist?
 - B. As if supra national standard-setter?
 - C. As a co-operative group of professional national standard-setters being respectful of differences of view?
 - D. As change agents for the IASB or distributed parts of a global arrangement?
 - E. As parties with responsibilities to each other to reach the same high quality standards?

- **The answer: C, D and E – albeit with varying and developing knowledge levels.**

Improving our Effectiveness

- **Essential for good standard-setting**
 - High quality people
 - Strong finance and economics backgrounds
 - Experience in auditing, finance, as preparers or as academics
 - Strong research skills – especially going forward from now
 - Good due process
 - Excellent communications
 - Strong knowledge of sources/contacts
 - Ability to engender change
- **Things to Avoid**
 - Becoming a conduit for vested interests
 - Being focussed on rules in the book and not change management
 - Being reactionary and not continuing to challenge the status quo
 - Repeating history
 - Getting to far ahead of constituents too soon

Regionally?



- We are far from consistent on the essentials
- We sometimes sound like we are arguing for constituents and not for good reporting
- We are not sufficiently focussed on economic decision-making and tend to worry too much about methods and rules, often conditioned by our past
- We lack a sufficiently wide pool of talent from which to draw our people
- Our constituents are of varying capacity to benefit from what we do

Improvements in the Short to Medium Term



- Capacity building in standard-setting needs to be consciously undertaken (including staff exchanges)
- The IFASS model for a standard-setter needs to be taken seriously by all of us: focus on people, independence, process and scope
- We must work hard with educators and regulators to achieve more consistency in knowledge levels
- We must know our region – research into practices must be responsive and dependable
- We must become more conceptually oriented, focusing on economic decision-making. Pursuing economics will bring us together

In Summary



- The region can influence by better playing our part in the international structures that have emerged
- We will only be able to do that if we strive for excellence as standard-setters and commit to helping each other in the region
- In my view, the closer we come to be an information science the more economics will lead us to convergence of our views