

# **Role of the Region in Influencing the Standard- Setting Debate**

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## **What is IFASS?**

- An informal network of organisations that have standard-setting authority domestically or a regional role in facilitating standard-setting or assessing standards for adoption
- Membership voluntary, open to all
- Meets in public twice a year
- Attendees include representatives from IASB and IPSASB

## What does it do?

### **Discusses matters of common interest:**

- IASB work plan
- Research projects of individual NSS or consortia
- Topical issues – often IFRS implementation questions identified by NSS
- Governance/process issues
- Updates of recent activities/developments of regional groups

## How it differs from ASAF

- Membership voluntary and open, not by invitation
- Membership is not “representational”
- Agenda set by participants
- Agenda topics not confined to technical discussion of IASB active agenda topics
  - Not much overlap

## Emergence of regional groups

- Fairly recent phenomenon, still evolving
- Each existing group is different
  - EFRAG has legislative mandate
  - AOSSG based on geography
  - GLASS based on geography and language
  - PAFA based on professional accounting bodies

## Common objectives

- Gather/co-ordinate regional input to IASB
- Leverage scarce resources to increase quantity/quality of input
- Develop future standard-setting resources
- Enhance communication with stakeholders
- Participate in IASB research agenda

## Effect of groups on standard-setting internationally?

### **Very important in:**

- Ensuring quality input is received from as many stakeholders as possible
- Developing understanding and consensus
- Identifying potential implementation problems early

**Longer term, major contribution will be in research program**

## Potential problems?

- Failing to agree on objectives of financial reporting
- Becoming lobbyists for views of particular stakeholders (preparers, regulators, industries)
- Trying too hard to reach consensus eliminates consideration of innovative/unusual approaches
- Taking on too much to do it well

## Observations

- Most important development in global standard-setting since creation of IASB
- Significant potential to increase quality, comprehensiveness, timeliness and consistent application of standards
- Achieving potential will depend on committing resources and working together