



**CA. (Dr.) S B Zaware**  
(Former Chair of Asian Oceanian  
Standard Setters Group)

## **AOSSG AND ICAI, NEW DELHI**



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During the period in 2007-08, many jurisdictions in the Asian-Oceanian region had adopted or converged with the International Financial Reporting Standards (IFRSs) while many others had announced convergence with the IFRSs with time-tables or roadmaps. In the context of increasingly globalised financial reporting standards, it was necessary for the Accounting Standard-Setters in the region to establish a platform to discuss problems, issues and share experiences in the convergence process and make contribution to a single set of high-quality global accounting standards. Accordingly, Asian-Oceanian Standard-Setters Group (AOSSG) was established in 2009. The Institute of Chartered Accountants of India (ICAI) is a founder member of the Group.

In November 2009, during the first Annual Meeting of AOSSG held in Malaysia, the Memorandum of Association (MoA) was signed by 16 jurisdictional Accounting National Standard-Setters requested to be a part of the Group. Over the period of 10 years since the formation of the Group, more members joined hands and currently, the Group has 27 members i.e., jurisdictional National Standard-Setters contributing to the work of AOSSG. The AOSSG plays a significant role in increasing the region's adoption of IFRSs.

#### **THE OBJECTIVES OF THE AOSSG ARE:**

- Enhancing the standard-setting and financial reporting technical capabilities of national accounting standard setters in the region
- Contributing to the development and consistent application of IFRS Standards and addressing financial reporting issues of concern to the region

The activities of AOSSG are managed by Chair with the assistance of the Chair's Advisory Committee (CAC). Currently, the CAC of AOSSG comprises of 10 member jurisdictions viz. Australia, China, Hong Kong, India, Japan, Korea, Malaysia, Pakistan, Singapore and Sri Lanka and is responsible for supporting the Chair and Vice-Chair in performing their functions.



Working Groups have been established to help manage AOSSG's contributions to the International Accounting Standards Board (IASB). The Chair monitors 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.

### **ICAI AND AOSSG**

India is represented by the Institute of Chartered Accountants of India (ICAI), as a founder member of AOSSG. ICAI, through its nomination by the then Council, CA. (Dr.) S. B. Zaware, held the position of Vice-Chair, AOSSG for a period of 2 years 2017-2019, followed by Chairmanship of 2 years (2019-2021). ICAI continues to contribute to the activities of AOSSG as a member of Chair's Advisory Committee (CAC).

### **IFRS IN BRIEF**

The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards—IFRS Standards—and to promote and facilitate adoption of the standards.

IFRS Standards are developed by two standard-setting boards, the International Accounting Standards Board (IASB) and the newly created International Sustainability Standards Board (ISSB). The IASB sets IFRS Accounting Standards and the ISSB sets IFRS Sustainability Disclosure Standards.

IFRS Accounting Standards set out how a company prepares its financial statements. IFRS Sustainability Disclosure Standards set out how a company discloses information about sustainability-related factors that may help or hinder a company in creating value.

### **IFRS STANDARD-SETTING PROCESS**

The IASB follow a thorough, transparent, and participatory due process while issuing an IFRS Standard or an IFRIC Interpretation. If the IASB decides to amend a Standard or issue a new one, they generally review the research, including comments on the discussion paper, and propose amendments or Standards to resolve issues identified through research and consultation. Proposals for a new Standard or an amendment to a Standard are published in an exposure draft for public consultation. To gather additional evidence, members of the IASB and IFRS Foundation technical staff consult with a range of stakeholders from all over the world. The IASB analyses feedback and refines proposals before the new Standard, or an



amendment to a Standard, is issued.

## **HOW AOSSG HELPS IN IFRS STANDARD-SETTING PROCESS**

AOSSG is a spokesman with IASB and IFRS Foundation for IFRSs on behalf of AO Jurisdictions and it plays a key role in promoting the adoption/ convergence with, IFRSs by jurisdictions in the region. This designates that the role of AOSSG is important in the overall mission of IFRS Foundation.

The International Financial Reporting Standards (IFRSs) are increasingly accepted in this region, and many Asia-Oceania jurisdictions have either adopted IFRSs or are considering adoption of IFRSs or making progress towards convergence with the IFRSs. The AOSSG was established to help:

- a) coordinate the efforts of stakeholders in the Asia-Oceania region in global standard-setting;
- b) maintain the momentum towards global standards; and
- c) support the credibility and responsiveness of the IASB.

As a group of organisations with expert knowledge of standards and in-depth understanding of issues in the region, the AOSSG works towards achieving the defined objectives in coordination with its members by:

- a) taking a leadership role in global accounting standard setting;
- b) conducting proactive research and thought-leadership activities;
- c) promoting regional initiatives regarding consistent application;
- d) providing other relevant assistance to the IASB;
- e) providing advice and consulting with member jurisdictions.

Conducting these activities helps in creating a beneficial cycle of:

- (a) deepening ties between stakeholders in the region and the IASB;
- (b) enhancing regional engagement in the international standard setting process; and
- (c) encouraging the consistent application of IFRS Standards in the region

AOSSG is also contemplating to include the IFRS Sustainability Disclosure Standards in the AOSSG scope through a working group mechanism as a temporary measure.

## **ICAI'S EXPOSURE, EXPERIENCE, AND ACHIEVEMENTS AS AOSSG CHAIR**

Recognizing the objectives of AOSSG and advancing the mission of ICAI in this age of globalisation, ICAI, as AOSSG Chair, undertook the following activities:



## **(1) Submitting Regional Views to the IASB and the IFRS Foundation**

While commenting on IASB documents, AOSSG's views reflect the collective views 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 holds differing views, those differing views are reflected within AOSSG comment letters. Individual member standard-setters may also choose to make separate submissions from their jurisdiction 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 AO region and not to prevent the IASB from receiving the variety of views that individual member standard-setters may hold.

During ICAI's term as Chair, AOSSG has actively submitted comments to all significant IASB discussion papers, exposure drafts and other consultative documents. While submitting the comments to IASB on behalf of AOSSG, the WGs leaders collate the views of the AOSSG members, the Group submitted its comments on the IASB's Exposure Draft including:

- IASB Exposure Draft General Presentation and Disclosures (ED/2019/7) in September 2020
- IASB Discussion Paper Business Combinations—Disclosures, Goodwill and Impairment in December 2020
- IASB Request for Information Comprehensive Review of the IFRS for SMEs Standard

Complete details could be obtained at <https://aoss.org/submissions-and-publications/submissions-to-iasb>

## **(2) AOSSG's participation in Accounting Standards Advisory Forum (ASAF)**

The objective of ASAF is to provide an advisory forum in which members can constructively contribute towards the achievement of the IASB's goal of developing globally accepted high-quality accounting standards .AOSSG has also been a nominated member of the ASAF and is represented by the Chair, AOSSG and Working Group Leaders. During ICAI's term as Chair, the Working Group leaders of AOSSG collated members' comments for all the ASAF meetings and presented the regional view at ASAF meetings.



### **(3) AOSSG meetings and Education Sessions**

With the outbreak of the Covid-19 pandemic, face-to-face meetings were not scheduled in 2020 and 2021. However, this did not stop the spirit of AOSSG, all AOSSG meetings (including CAC, Interim, WG and Annual meetings) and educational sessions were held virtually.

- During the 2021 AOSSG Annual Meeting in November, the ASBJ (Japan) as the working group leader of Business Groups and Assets in coordination with the IASB conducted an outreach session on Discussion Paper - Business Combinations— Disclosures, Goodwill and Impairment
- During the September 2021 AOSSG Interim meeting, upon Secretariat’s request, IASB, conducted two educational sessions for AOSSG members on:
  - Classification of Debt with Covenants as Current or Non-current
  - Supplier Finance Arrangements

### **(4) Research Activities**

The WGs of AOSSG take proactive steps to undertake research and publish its findings. AOSSG Working Group was held in November 2020, wherein, ICAI presented findings on Preliminary Research on “Financial Ratios”. Preliminary research was conducted encompassing presentation of selected ratios across six AO jurisdictions viz: Australia, China, India, Sri Lanka, Malaysia and Japan. The purpose of presentation was to seek opinion of AOSSG members on the project and to provide inputs to IASB for standardisation of financial ratios.

### **(5) Amendment and upgrade of AOSSG Formal Documents**

In the interest of the Group, it was important to amend official documents of the AOSSG. ICAI undertook the activity of revisiting all the formal AOSSG documents viz.

- MoU & Annexures to the MoU
- Vision Document
- Membership Due Process
- Working Group Modus operandi
- AOSSG Protocol for raising emerging issues
- AOSSG Protocol for responding to Technical Requests

These amendments were much needed and smoothly undertaken. The efforts of ICAI in this regard were much appreciated by the AOSSG members.



## **(6) Redesigning and Refurbishment of the AOSSG website**

Post taking over as Chair, AOSSG, Dr. S. B. Zaware, with the objective of making the AOSSG website more beneficial, in consultation with the CAC meeting decided to take-over the task of redesigning and refurbishment of the website along with its regular maintenance for the Chair's tenure.

The website was upgraded taking into consideration various factors such as clear site architecture and navigation, visual appeal, comprehensive content, and mobile compatibility. Further new features/tabs have been introduced on the AOSSG website, for instance, login facility for CAC members, details on the background & history of AOSSG, information on all the AOSSG meetings and events and photo gallery.

## **CONCLUSION**

Our Hon'ble Prime Minister Shri Narendra Modi had said **“We know that we will be more successful when we pursue our goals in partnership with the world”**. We, at ICAI believe, this is complete synergy with our vision of becoming the world's premier accounting body and develop global professionals. In this regard, ICAI continues to liaison with standard-setters across the globe and considers it crucial to promote the nation's interest in the international affairs. Apart from AOSSG, ICAI actively participates in the discussion meetings organised by the World Standard-setters (WSS), International Forum of Accounting Standard Setters (IFASS), Emerging Economies Group (EEG) & other such forums and present its views and issues from time to time at these forums. These forums have also provided us valuable insights on experience of implementation of IFRS in various jurisdictions.

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