

## **Ministry of Finance of China and IFRS Foundation**

### **Joint Statement**

**18 November, 2015, Beijing**

Representatives of the Trustees of the IFRS Foundation and the Chinese Ministry of Finance held a bilateral meeting, on the occasion of the Trustees' final meeting of 2015 held in Beijing, China between 13 and 16 October 2015. The bilateral meeting was led by Michel Prada, Chairman of the IFRS Foundation Trustees and Dai Bohua, Assistant Minister of the Ministry of Finance, China.

During the meeting, both parties noted the success of the existing Beijing Joint Statement, published in November 2005 between the China Accounting Standards Committee (CASC) and the International Accounting Standards Board (IASB). It is the view of both parties that the Joint Statement has achieved its objectives. In particular, that Chinese Accounting Standards (CAS) are now substantially converged with IFRS and the use of those standards has significantly enhanced the quality and transparency of financial reporting in China.

Moreover, both parties noted the progress around the world towards the goal of establishing IFRS as the single set of high quality, global accounting standards, and the resulting changes to the financial reporting landscape globally. More than 100 countries now require the use of IFRS for all or most publicly listed entities, while post-adoption analysis has shown that IFRS has substantially increased the quality and consistency of financial reporting within adopting jurisdictions. Furthermore, both parties noted the importance of continued international support for the goal of a single set of high quality, global accounting standards, as demonstrated most recently by the September 2015 statement of the Financial Stability Board.

Recognising these developments, both parties believe that now is an appropriate time to update the 2005 Beijing Joint Statement to reflect progress made in both China and around the world, and set out below the following basis for future cooperation:

### **Reaffirming the goal of full convergence**

Ten years after the Beijing Joint Statement and continuous cooperation on IFRS under the leadership of Finance Minister Lou Jiwei, Assistant Minister of Finance Dai Bohua reaffirmed China's continued commitment towards the work of the IFRS Foundation, the G20-endorsed goal of a single set of high quality, global accounting standards and China's vision to achieve this goal through full convergence with IFRS. This objective is compatible with China's reforms and development.

### **Enhancing continued cooperation**

The Trustees noted their appreciation for China's leadership of the Secretariat of the IASB's Emerging Economies Group, for Chinese involvement in the various advisory bodies and consultative working groups, the provision of technical secondees from the Chinese Ministry of Finance and China's ongoing financial support to the IFRS Foundation. The Trustees will continue to ensure that Chinese stakeholders are fully involved in the future development of IFRS. Such involvement is fully consistent with the request of the G20 to deepen the participation of emerging economies in the work of the IFRS Foundation and the IASB.

### **Establishing a joint working group for further cooperation**

Both parties intend to build upon the success of the 2005 Beijing Joint Statement and to explore possible ways to further the use of IFRS in China. In support of this objective, the Trustees and the Ministry of Finance will establish a joint working group to explore ways and steps to advance the use of IFRS within China and other related issues, especially for those internationally orientated Chinese companies. The first meeting of the working group will take place in the near future.

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