Summary note of the Accounting Standards Advisory Forum

Held on 3-4 March 2014 at the IASB offices, Cannon Street, London

This note is prepared by staff of the IASB, and is a high level summary of the discussion that took place. A full recording of the meeting is available on the IASB website.

ASAF members attending

Alexsandro Broedel Lopes	Group of Latin American Standard-Setters (GLASS)
Kim Bromfield	South African Financial Reporting Standards Council
Clement Chan	Asian-Oceanian Standard-Setters Group
Françoise Flores	European Financial Reporting Advisory Group
Russell Golden	Financial Accounting Standards Board (US)
Liu Guangzhong	Chinese Accounting Standards Committee
Liesel Knorr	Accounting Standards Committee of Germany
Roger Marshall	Financial Reporting Council (UK)
Ana Martinez-Pina	Instituto de Contabilidad y Auditoria de Cuentas (Spain)
Linda Mezon	Accounting Standards Board of Canada
Ikuo Nishikawa	Accounting Standards Board of Japan
Kevin Stevenson	Australian Accounting Standards Board

Insurance Contacts

Introduction

1. In 2013 the IASB issued an Exposure Draft *Insurance Contracts* that focused on five targeted areas:

    (a) Use of other comprehensive income- discount rate;
    (b) Unlocking the contractual service margin;
    (c) Insurance contract revenue;
    (d) Mirroring exception; and
    (e) Transition.

2. The IASB sought the input of ASAF on the first three of these topics at the meeting, with the focus on non-participating contracts. The IASB staff noted they planned to discuss participating contracts with the ASAF at a future date.

Discount rate for insurance liabilities—should there be an option to present the effect of changes in discount rates in profit or loss?

3. ASAF members expressed strong support for an option to present the effect of changes in the discount rate in profit or loss (P&L), because of concerns that the mandatory OCI approach proposed in the 2013 ED would introduce accounting mismatches if an entity were to invest in assets that were not at FVOCI.

4. This brought the ASAF to the discussion about how such an option could be implemented. ASAF members expressed a view that it should not be a free choice and that there should be criteria that clearly link measurement of assets under IFRS 9 and recording of changes in the discount rates for insurance liabilities under the new Insurance Standard. Such a choice would enable entities to avoid accounting mismatches between assets and liabilities: for example, an entity could choose the OCI option for liabilities if its assets are measured at FVOCI or it could choose the P&L option if its assets are measured at FVP&L.

5. Some questioned whether an entity applying IFRS 9 should be able to apply the fair value option to assets that would meet the criteria for classification as FVOCI if that asset was held to back insurance contracts. This question arose because insurance contracts, though measured at current value, are not at fair value. One of the IASB members reassured the meeting that it was the IASB's intention to allow entities to apply the fair value option to assets that back insurance contracts to reduce mismatches in equity, even though there would be remaining mismatches in equity because insurance contracts are measured at current value not at fair value. To the extent that entities could measure insurance contracts through profit or loss, as the staff intended to propose in the March IASB meeting, the fair value option for assets would also reduce mismatches in profit or loss. It was also the IASB's intention to articulate the 'linkage' criteria between IFRSs 4 and 9 more clearly.

6. ASAF members then discussed three methods by which this choice should be implemented in the final Standard:

   - Should it be an accounting policy choice?
   - Should it be based on a management strategy for assets and liabilities (sometimes also referred to as a 'business model')?
   - Should it be exercised at an entity level or at a portfolio level?

7. An ASAF member expressed the view that the OCI option should be a default option in the final Standard. Most ASAF members, however, seemed to consider the P&L option as a better accounting approach. After some discussion, there seemed to be general support for an accounting policy choice, as proposed by the staff.

8. Some ASAF members suggested that the choice should be exercised at entity level. However most thought that portfolio level would be more appropriate, because some entities might have different management strategies for different classes of assets and liabilities.

9. An ASAF member pointed out that when the IASB looks at the linkage between the new insurance contracts Standard and IFRS 9, it would be important to consider not only insurance companies but banks as well, because banks have insurance activities.

10. Another ASAF member asked the IASB to consider how accounting mismatches might be eliminated even further for insurance entities. This ASAF member believed that it would be important to consider guidance for hedging and macro hedging.

11. One ASAF member expressed concerns about the 2013 ED's proposals for determining the discount rate for long-duration contracts, and stated that there needed to be more guidance on how to extend the yield curve beyond observable points.

Unlocking the contractual service margin

12. The 2013 ED proposed to unlock the contractual service margin (calculated on Day 1) for changes in estimates that relate to future services. In other words, these changes will be recognised in the periods in which that service would be delivered, rather than in P&L immediately. The ED also proposed that losses from onerous contracts and changes in estimates that relate to past services would be recognised in P&L.

13. There seemed to be overall support from ASAF members for unlocking the contractual service margin for changes in estimates that relate to future services, because these changes reflect the overall profitability of the contract.

14. The IASB staff asked ASAF members for their views on a proposal that favourable changes in estimates should first reverse any losses that were recognised as a result of previous changes in estimates before rebuilding the contractual service margin. Most ASAF members agreed with this proposal.

15. The IASB staff also asked ASAF members for their views on a proposal that changes in the risk adjustment relating to future service should adjust the contractual service margin. Most ASAF members agreed with the proposal to unlock the contractual service margin for changes in the risk adjustment.

16. Some ASAF members asked whether the benefits of a risk adjustment were outweighed by the cost, particularly if the IASB decided to unlock the contractual service margin for changes in risk adjustment. An IASB staff member said that the IASB would need to assess the cost of having the risk adjustment against its benefits, but noted that benefits of the risk adjustment were still significant in situations in which a contract was onerous, or in providing information about the liability for incurred claims for which there is no contractual service margin.

17. Some ASAF members wanted to know at which level onerous contracts would be identified, eg portfolio.

Insurance contract revenue—volume metrics and deposits

18. Some ASAF members saw the technical merit in the IASB's proposals for the presentation of insurance contracts revenue and expense. Nevertheless many ASAF members expressed support for the existing industry practice of presenting premiums, including deposits, as a volume metric because:

    - this is a long-established and well-understood practice; and
    - there was a risk of alternative non-GAAP measures developing if the IASB did not require use of a metric that was consistent with the way in which management and analysts look at insurance businesses.

19. ASAF members were asked whether the insurance industry's treatment of premiums should be considered as an exception to the general revenue recognition principles. It was noted that banks do not present deposits as revenue and some view insurance premiums as analogous to bank deposits. Some ASAF members commented that they considered the deposit components of premiums received to be an integral part of the determination of profit or loss on an insurance contract.

20. One ASAF member said that out of all the existing proposals they considered, the summarised margin approach as proposed in the previous 2010 ED to be the 'least worst' approach. That approach would treat all cash flows from insurance contracts as deposit receipts, and all payments under insurance contracts as repayments of deposits.

21. Another ASAF member observed that it would not be logical to require different presentation approaches for short-duration and long-duration contracts, because of the IASB's view that the premium allocation approach is a proxy for the building block approach.

Other

22. One ASAF member asked whether respondents to the 2013 ED had raised any concerns about the scope of the Standard (eg contracts vs entities). There had been much discussion in the US about the scope of the FASB's proposed insurance standard. The response from ASAF members and IASB staff members was that the IASB's proposed scope was not new to entities applying IFRS because the existing IFRS 4 had a similar scope. In addition, many of the entities who might have been concerned had been excluded from the scope of the proposed Standard.

23. Another ASAF member asked whether the IASB had received any feedback that the proposed disclosure requirements were excessive. The IASB staff responded that the disclosures proposed in the 2013 ED were based on the existing IFRS 4. Many therefore had some experience with applying some of the disclosures, and there was an acknowledgement that extensive disclosures were necessary to understand the complexity of the insurance business.

24. Another ASAF member stated that many stakeholders in his jurisdiction were concerned that the proposals in the 2013 ED would give rise to a mismatch, because the effect of changes in discount rates for measuring insurance contract liabilities would be presented in other comprehensive income (as part of equity), whereas changes in other assumptions for the measurement would result in changes in cash flows that would unlock the contractual service margin. He stated that this proposal could mean that an entity might present negative equity, even though the entity would have unearned profit relating to future service, and while other indicators (such as those based on the embedded value) would indicate otherwise.

Conceptual Framework—complexity

25. ASAF members discussed a bulletin, published by EFRAG and the French, German, Italian and UK standard-setters, on complexity. The bulletin discusses the two different types of complexity–unavoidable complexity that arises with increasing complexity in business transactions, and avoidable complexity.

26. The bulletin considers whether in some cases avoidable complexity could be reduced with improved standard-setting, education and presentation. The bulletin acknowledges that the Conceptual Framework already includes a discussion of complexity under the heading of 'understandability' and that the IASB considers complexity when assessing whether the benefits of a new Standard justify the costs. The bulletin also describes where avoidable complexity arises and acknowledges the view of those who believe that IFRS is unnecessarily complex.

27. Some IASB members asked whether the sources of complexity identified in the bulletin were examples of unavoidable complexity.

28. ASAF members expressed differing views, including the following:

- It would be helpful to discuss complexity more prominently in the Conceptual Framework (for example, in what is Chapter 3 of the existing Conceptual Framework). This would ensure that the IASB, and others using the Conceptual Framework, would give this topic more attention and perhaps address complexity earlier in the standard-setting process.
- The current discussion in the Conceptual Framework is sufficient, so it is unnecessary to include a discussion of complexity in the Conceptual Framework. It could be addressed more effectively by other means (for example, by revising the IASB's processes for developing and revising Standards).
- Those who argue that some Standards or proposals are too complex are in reality expressing disagreement with the requirements of the Standards.

29. It was also suggested that some of the problems associated with complexity could be dealt with by working more closely with regulators (including audit regulators), auditors and preparers of financial statements to address behavioural factors that lead to increased complexity (for example, the tendency of preparers to simply repeat last year's disclosures, or the inefficient use of technology).

30. ASAF members suggested that the following are sources of complexity:

- complex Standards. It was stated that anti-abuse measures in Standards and detailed disclosure requirements can add to the complexity of Standards.
- disagreements about the economic substance of transactions. When this is the case, preparers often state that the requirements are too complex or that the IASB has misjudged the cost-benefit trade-off.
- exceptions to principles and additional disclosures. It was stated that these are usually added in response to feedback received on due process documents.
- political pressure.
- constant changes to accounting requirements.
- the absence of a disclosure framework. It was suggested that a disclosure framework would ensure that disclosure requirements are as simple and targeted as possible.

31. After listening to other ASAF members, the EFRAG representative suggested that ASAF members had too easily dismissed the perception that IFRS was a cause of complexity. She considered that it was the duty of ASAF members to remedy this perception.

Rate-regulated Activities

32. The aim of this agenda item was to obtain further advice and input from ASAF members on developing a Discussion Paper on Rate-regulated Activities. At the December 2013 ASAF meeting, ASAF members agreed that defining the scope of the project was critical. Some ASAF members suggested that the staff should consider the issue from a revenue recognition or performance perspective, and not merely from the perspective of the definitions of 'asset' and 'liability' being developed in the Conceptual Framework project. These approaches are not necessarily mutually exclusive, but may instead be complementary.

33. At this meeting, the IASB staff presented a refined tentative description of the common features of rate regulation that are considered to be most likely to distinguish the rights and obligations created by some types of rate regulation from the rights and obligations applicable to non-rate-regulated entities. Many ASAF members agreed that this description would be a useful starting point for discussing potential accounting models. However, the ASAF acknowledged that this description should not be considered to represent the final scope of the project.

34. ASAF members agreed that the Discussion Paper should focus on the features identified as the starting point for a discussion about whether those features distinguish rate-regulated activities from other commercial activities. The resulting analysis should consider which features represented similarities with other commercial activities as well as which features represented differences. This analysis should be developed to help identify which feature(s), if any, create special economic conditions for which a specific accounting model might need to be developed.

35. The IASB intends to include, in the Discussion Paper, a number of potential approaches to developing an accounting model, based on the features discussed at this meeting. It is not expected that the IASB will express a preliminary view in the Discussion Paper on whether a specific accounting model will be needed. Consequently, the Discussion Paper will not express any preliminary view on what type of model could be appropriate.

36. The IASB staff presented an initial analysis of one possible approach that looks to tailor the model on the basis of the revenue model in the forthcoming IFRS [15] *Revenue from Contracts with Customers*. The staff made it clear that they are not proposing to amend that Standard; instead, they are merely exploring the principles contained in it and whether, or how, they might be adapted in order to apply in a rate-regulated environment.

37. Although many ASAF members expressed support for exploring a revenue model in the Discussion Paper, many expressed scepticism about the feasibility of developing a model that could be widely applied. Consequently, the Discussion Paper should explore a variety of models to gather a wide a range of feedback. This wide-ranging approach is considered essential to help identify whether the Rate-regulated Activities project should be pursued further and, if so, what the scope and direction of the project should be.

38. One ASAF member noted some of the issues arising in the project are similar in nature to the issues associated with non-executory revenue and IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

Leases

39. The IASB staff presented the possible ways forward for lessee and lessor accounting and the possible simplifications to the 2013 *Leases* ED that are being considered by the IASB and the FASB.

40. The staff then asked for the ASAF's views on each of the possible approaches and simplifications, in terms of (a) the relative effectiveness in reducing costs associated with applying the proposals in the 2013 ED and (b) the benefits for investors and analysts of the proposed changes to lessee and lessor accounting.

41. As a general comment, one ASAF member commented that the convergence of accounting standards on leases between IASB and FASB is critically important, and suggested that both boards should not abandon this important objective, having regard to the significant amount of efforts over the past years.

42. Regarding the alternative possible approaches for lessee accounting, most ASAF members indicated their preference for a single model that would require a lessee to recognise and present amortisation and interest separately for all leases. These members thought that such a model would avoid complexity and result in more relevant information for investors and analysts.

43. Some ASAF members said that the most important topic to be addressed during further redeliberations was that the scope of the new Standard, including the definition of a lease. They noted in particular that consideration should be given to excluding contracts that in substance are for the provision of services.

44. Regarding the possible simplifications for small-ticket leases held by a lessee, some ASAF members strongly encouraged the IASB to try to identify a measure which would strike the right balance between the incremental costs and benefits. Other ASAF members stated that any simplifications should not inadvertently actually cause complexity, and some suggested that they may not be needed at all, because of the existing materiality guidance in IFRS.

45. Regarding lessor accounting, most ASAF members supported retaining guidance similar to that in existing IFRS, which would require Type A accounting for leases for which the residual value is insignificant. Some ASAF members viewed an approach based on the lessor's business model as attractive but did not advocate such an approach at this time. An ASAF member suggested a lessor ROU model that is consistent with the lessee ROU model but that would allow the lessor to measure the residual asset at fair value, similarly to investment properties.

46. Regarding measurement, ASAF members had mixed views but generally supported simplifying the reassessment requirements in the 2013 ED.

47. Regarding the separation between lease and non-lease components, ASAF members expressed support for simplifications, but some had concerns about separating lease and non-lease components. It was noted that this could be a less important issue if service contracts were excluded from the scope. There was agreement that the observable stand-alone price threshold in the 2013 ED should be reconsidered.

Conceptual Framework—presentation in the statement of financial performance and some potential implications for measurement

48. ASAF members discussed a paper prepared by Tom Linsmeier, a FASB member, suggesting a revised model for presentation in the statement(s) of financial performance and the possible implications of the model for measurement.

49. ASAF members discussed:

- the proposal in the paper to require an operating income total or subtotal that would replace the existing profit or loss total or subtotal. Some ASAF members supported the idea that financial statements should focus on operating profit rather than profit or loss. However, other ASAF members expressed the view that users of financial statements are accustomed to using profit or loss in their analysis and might be reluctant to accept operating income as the principal measure of financial performance.
- the suggestion that income should be split between recurring and non-recurring items. This suggestion was welcomed by some ASAF members as being responsive to the needs of the users of financial statements. However, some ASAF members noted that it would be difficult to describe clearly which items are recurring and which items are not recurring. Some ASAF members suggested that the business model notion could be used to help describe both what is recurring, and what is operating, in nature.
- the previous joint project of the IASB and FASB on financial statement presentation. A number of ASAF members called for the IASB to restart this project and think more broadly about financial statement presentation, including the disaggregation of financial performance. It was suggested that questions about presentation could more easily be resolved if standard-setters stopped thinking about financial performance in terms of binary classifications such as operating/non-operating, recurring/non-recurring, profit or loss/other comprehensive income (OCI).
- the interaction between the proposals in this paper and a paper prepared by the ASBJ, which had been discussed at the December 2013 ASAF meeting, on the topics of profit or loss, OCI and measurement. Some suggested that it might be possible to reconcile the different approaches in the two papers.
- the implications of the paper for measurement. Some ASAF members welcomed the paper's focus on the performance statement(s) and its assessment that this is linked with measurement. Some ASAF members also supported the idea that the relevance of unrealised gains or losses (and hence of fair value measurement) may depend on whether the asset or liability is likely to be sold or transferred before maturity or the end of its useful life. However, an IASB member argued that unrealised gains and losses could still be relevant even when it is not possible to sell or transfer the asset or liability (for example, pensions and insurance liabilities).
- the discussion of discounting in the paper. Some ASAF members suggested that further thought and guidance was needed on when discounting is relevant, when the discount rate used should be updated to a current discount rate and what factors should be included in a discount rate (for example, risk adjustment, own credit).

50. Some ASAF members stated that a more fundamental consideration of the objective of measurement is needed and suggested that progress on measurement could only be made if the IASB states clearly its ideal concept of capital.

51. The IASB Chairman welcomed the paper, stating that better disaggregation of the amounts within the statement(s) of financial performance will reduce the need for OCI. However, he questioned whether users would accept the replacement of the profit or loss subtotal with an operating profit subtotal. He also welcomed the link that the paper made between presentation and measurement, but stated that he believes that more work is needed to develop the measurement section of the Conceptual Framework.

Conceptual Framework

Strategy for the Conceptual Framework

52. The following ASAF members were asked to consider the comment letters submitted by ASAF members and, in the light of those comments, suggest how the IASB might approach particular sections of the Conceptual Framework in the Exposure Draft—focusing on the strategy for these sections rather than detailed technical issues:

Section	**ASAF member**	**Summary of suggested strategy**
Definition of equity and distinction between liability and equity elements	Kim Bromfield	Agenda Paper 6B
Measurement	Linda Mezon	Agenda Paper 6C
Presentation in the statement of comprehensive income	Liesel Knorr	Agenda Paper 6D

53. At this meeting ASAF members discussed the suggested strategies and made the following comments:

- Many ASAF members stated that the IASB should continue to place a high priority on completing the revisions to the Conceptual Framework in line with its current timetable while acknowledging that, as a consequence, some areas of the Conceptual Framework might be more developed than others. Other ASAF members suggested that the IASB should complete some sections of the Conceptual Framework to the current timetable, particularly those dealing with elements, but subsequently take more time to develop the sections on measurement and the statement(s) of financial performance.

- Some ASAF members suggested that further research work or a new Standard might be needed in some areas (for example, measurement, OCI and the distinction between liabilities and equity). However, this should not hold up the completion of the Conceptual Framework. The IASB could, if necessary, revisit these sections of the

Conceptual Framework once the research work or revised Standards have been completed.

- Some ASAF members stated that the Conceptual Framework should make clear the linkage between the measurement and presentation of financial performance, and that such a linkage should be clearly stated as the measurement objective even if the IASB were to follow the current timetable.
- Some ASAF members stated that the Conceptual Framework needs to include enough examples and explanations to make it understandable but it should not include details that would more properly belong in a Standard.
- Some ASAF members expressed the view that, in developing the Conceptual Framework, the IASB should not be afraid to develop concepts that conflict with existing Standards. However, the IASB should highlight any potential conflicts with existing Standards that do arise.
- It was suggested that the conceptual distinction between liabilities and equity would be best dealt with in a revised Standard; however, others suggested that the Conceptual Framework should address the issue.
- Some ASAF members stated that further work is needed on the suggestion in the Conceptual Framework Discussion Paper that the reported amounts for some classes of equity claims should be updated. However, others disagreed with the idea that the reported amounts for equity claims should be updated. One ASAF member suggested that the IASB should consider introducing a mezzanine category for claims that have both liability and equity characteristics.

Disclosure Initiative

Materiality: establishing the scope of the project

54. IASB staff presented a paper outlining the potential scope of the IASB's Disclosure Initiative project on materiality. ASAF members broadly supported the IASB undertaking the project and the approach proposed by IASB staff. The discussions also highlighted the following points:

    - The IASB should work with preparers, auditors (including audit regulators) and regulators, because the concept of materiality needs to be understood and applied by all parties in the financial reporting process. The IASB is well placed to facilitate the involvement of those parties in the project.
    - The legal and regulatory aspects of 'materiality' need to be carefully considered.
    - It needs to be clear when the IASB plans to take action on any proposals on materiality.

55. The scoping of the materiality project will be discussed by the IASB at its March 2014 meeting, which will include a summary of the discussions from the ASAF meeting.

Principles of Disclosure: establishing the scope of the project

56. The IASB staff presented a paper addressing the scope of the research project on the Principles of Disclosure. The purpose of the paper was to obtain ASAF members' views on the proposed objective and the potential research topics of the project. Views discussed included:

- Many ASAF members supported the general direction of the project regarding the objective as well as the potential topics for research. Some considered that the project description could be more specific regarding the intended outcome and time line.
- Views were expressed that there is no need to bring all the identified topics and issues into a single research project. Some were of the view that disclosure principles for the notes to the financial statements could be dealt with separately from addressing presentation improvements in the primary financial statements. Considering the amount of work previously undertaken in the paused Financial Statement Presentation project, there were concerns that new research activity in this area could take several years.
- Some ASAF members cautioned that the IASB should bear in mind the areas on which many stakeholders expressed concerns in the previous Financial Statements Presentation project. Views were expressed that direct method cash flow statements and the 'cohesiveness' were some of the most contentious issues, and that it is important to carefully investigate lessons learnt from the past discussion before initiating the project
- Many ASAF members considered that the boundary of financial statements was very important but that this was, in the first instance, an issue for the Conceptual Framework. Views were expressed that it would be difficult to improve disclosure principles in IFRS if the boundaries of financial statements were not clear.
- Some ASAF members questioned the inclusion of the research topic relating to non-IFRS/non-GAAP information. They questioned to what extent this issue could be addressed by a standard-setter. However, there was support for considering the issue from the perspective of presentation in the primary financial statements.
- There was general support from ASAF members for exploring improvements to communication principles in IFRS. However one ASAF member expressed concerns regarding the introduction of a general option to cross-reference information outside the financial statements.
- Although there was general support for clarifying the underlying principles of interim financial reporting, some ASAF members believed that it would be worthwhile to explore the concept of differential disclosures for IFRS based on the type/characteristics of the entity.

Project update

Update

57. A summary of the status of the technical projects was included in the agenda papers for the meeting. The agenda papers also included proposed future agendas for the meeting. ASAF members were asked for any comments on the project summary and the proposed future agendas. No comments were received.

IAS 28 *Share of Other Net Asset Changes*

58. Françoise Flores (FF) thanked the IASB for the opportunity to discuss this matter. She noted that the IASB has completed its deliberations of the proposed amendment to IAS 28. FF noted that in asking for the item to be discussed; her objective was to highlight the interaction between two important disciplines that are needed when making short-term amendments. These disciplines are:

    - to find an intermediate path between narrow-scope amendments and a complete overhaul of existing Standards. In the circumstance under discussion some clarifications should be made to characterise the equity method and hence bring clarity to all possible requests, whether already expressed or in the future, on how IAS 28 should be applied; this is what EFRAG intended to contribute with the publication of its short discussion paper on the equity method; and
    - to adhere to the principles set in current Standards, especially when they are the result of recent improvements that are accepted and understood in practice.

59. FF noted that EFRAG's concern (which is shared by many others) is that the amendment does not appear to achieve the second discipline, because it is not consistent with the delineation in IAS 1 as revised in 2007. IAS 1 (as revised) requires the effect of transactions with third parties to be recognised in Other Comprehensive Income and it provides that only transactions with equity holders affect equity directly; it also infringes the principle that only controlled entities are part of the group.

60. The IASB staff explained that in analysing a problem they always started with the conceptual principles and sought to achieve a conceptual solution. However, this is not always possible and sometimes they had to find pragmatic solutions.

61. An ASAF member expressed concern about the pragmatic solution being used by analogy and mentioned that a number of principles were departed from.

62. Another ASAF member noted this is a minor issue but he shared the concern of EFRAG. He noted the importance of the distinction between equity and liabilities. He did not understand the IASB proposals and suggested the IASB should clearly explain its decision and if further explanation was not available the IASB should leave the matter.

63. FF noted that EFRAG was happy to provide assistance to find an alternative solution.

Closing remarks

64. Hans Hoogervorst brought the meeting to a close. He observed that it had been a dense agenda and some very important topics had been discussed over the two days. He thanked the members for their advice and for their contributions to the meeting.

65. Noting that this was Ikuo Nishikawa's last meeting, Hans thanked him for his active contribution to the ASAF meetings and for his support to the IASB. He wished him well in his in his future career.