

International Financial Reporting Standards



Review of the Accounting Standards Advisory Forum (ASAF)

IFRS Advisory Council – February 2015

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ASAF Review: Objective for this session

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To update the Advisory Council on the status of the review of ASAF

To provide feedback on the findings to date

To seek Advisory Council members' views on the initial findings from the review

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ASAF Review: Background

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- The IFRS Foundation trustees in their 2012 strategy review recommended that:

The IFRS Foundation and the IASB should encourage the maintenance of a network of national accounting standard-setting bodies and regional bodies involved with accounting standard-setting as an integral part of the global standard-setting process.

- Early in 2013 ASAF was formed and a Memorandum of Understanding & Terms of Reference were signed by inaugural ASAF members and the IASB
- The ASAF Memorandum of Understanding, Terms of Reference and background information can be accessed here: [IFRS - Accounting Standards Advisory Forum \(ASAF\)](#)

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ASAF Review: Background

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- ASAF is governed by two constitutional documents:
 - Memorandum of Understanding
In the MOU the Foundation committed to “actively engaging with the ASAF and ensuring that its views and feedback are faithfully and fully presented to the IASB as a substantive part of stakeholder outreach”
 - Terms of Reference
All aspects of ASAF and its operations shall be reviewed by the IFRS Foundation two years after the establishment of the group

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ASAF Review: Scope

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- Trustees agreed scope of the review:
 - To assess how ASAF has performed in relation to its Memorandum of Understanding & Terms of Reference
- Initial views to be collated by questionnaires
 - ASAF members
 - National standard-setters
 - IASB members & staff
- Findings to be followed up by interviews
- Feedback Statement will be issued

ASAF Review: Status

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- Questionnaires for ASAF members & national standard-setters issued in November 2014
- Responses received in January 2015
- Trustees updated February 2015

ASAF Review: Feedback

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Overall the feedback identifies there is strong support for the ASAF

- Comments include:
 - ASAF had enhanced the dialogue between the IASB and the global accounting standard-setting community
 - The importance of ASAF has grown significantly
- Areas noted for improvement:
 - Timely provision of agenda materials
 - Agenda topics
 - Feedback to ASAF members

ASAF Review: Feedback

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Overall support for ASAF objectives & scope of its activities

- ASAF members
 - ASAF should be solution-focused
 - ASAF should be consulted on IASB's agenda priorities, including research activities
 - ASAF should be part of the IASB's due process
- Non-ASAF members
 - ASAF provides a forum for multilateral discussion
 - Include implementation issues from jurisdictions

ASAF Review: Feedback

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Membership

- Consensus points:
 - Geographical representation is important
- ASAF members:
 - Overall agreement on the size of ASAF
 - Regional groups should be permanent members
 - Need for stability in membership
 - ASAF members that have fully adopted IFRS

ASAF Review: Feedback

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Membership – continued

- Non-ASAF members:
 - Increase the size of ASAF
 - Link membership to capital market size/G20
 - Include Regulators as members
 - Rotate membership within regions
 - Term of office should be three years not two years
 - Include public sector representation

Communication and liaison

- ASAF members
 - Agenda materials need to be provided earlier
 - Improve the summary of the meeting
 - ASAF members to agree summary of the meeting and agenda
- Non-ASAF members
 - Need for timely provision of agenda materials
 - Broad range of issues & diverse views – time allocated to topics constrains the effectiveness of ASAF

Meetings – overall members consider meetings are effective

- Timing of agenda topics – before or after IASB discussions?
- More focused papers with clear objectives from the IASB
- Where best can ASAF contribute?
 - Research
 - Current projects
 - Controversial implementation projects

ASAF Review: Feedback

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Interaction with the IASB – support for the IASB’s level of commitment to the ASAF

- Extend the participation of IASB members in the meetings
- IASB to be clear about the objective of the meeting
- Improve the feedback on how the ASAF advice/views have been used by the IASB

ASAF Review: Questions to the Advisory Council

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We would appreciate the Council members’ views on:

- Should consultation with ASAF be a mandatory due process step for the IASB?
- Should the scope of ASAF activities be extended to include IASB’s agenda priorities, including research activities?
- If changes should be made to size of ASAF and, if so, how ASAF seats should be allocated?
- Other comments on the feedback received

ASAF Review: Next Steps

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Date	Event
2015 February	<ul style="list-style-type: none">Complete questionnaire for IASB staff and IASB membersDiscussion with the Advisory CouncilFollow up interviews
2015 March	<ul style="list-style-type: none">Discuss findings with ASAF and agree next steps
2015 April	<ul style="list-style-type: none">Trustee meeting- Draft report on the findings and recommendations from the review- Agree next steps
2015 June	<ul style="list-style-type: none">Trustee meeting- Final report on the findings and recommendations from the review- Feedback Statement issued following completion of the review

Thank you

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ASAF Review: Appendix One

Current Membership	
Africa	South African Financial Reporting Standards Council, supported by the Pan African Federation of Accountants (PAFA)
Asia-Oceania (including one 'at large')	Accounting Standards Board of Japan Australian Accounting Standards Board Chinese Accounting Standards Committee Asia Oceania Standard Setters Group (AOSSG), represented by the Hong Kong Institute of Certified Public Accountants
Europe (including one 'at large')	Accounting Standards Committee of Germany European Financial Reporting Advisory Group (EFRAG) Spanish Accounting and Auditing Institute United Kingdom Financial Reporting Council
The Americas	Group of Latin American Standard-Setters (GLASS) United States Financial Accounting Standards Board Canadian Accounting Standards Board