

REPORT OF THE MEETING OF NATIONAL STANDARD-SETTERS (NSS) 12-13 SEPTEMBER 2011

The NSS group met in Vienna on 12-13 September 2011 and considered the agenda items set out below.

Background

The NSS is a grouping of national accounting standard-setters from around the world, plus other organisations that have a close involvement in financial reporting issues. The group is chaired by Tricia O'Malley, a former Chair of the Canadian Accounting Standards Board.

The meeting was attended by representatives of standard setters from Australia, Austria, Belgium, Brazil, Canada, France, Germany, Hong Kong, India, Italy, Japan, Lebanon, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Republic of Korea, Saudi Arabia, Singapore, South Africa, Spain, Sudan, Sweden, Switzerland, Taiwan, the United Kingdom, and the United States. Representatives of the European Financial Reporting Advisory Group (EFRAG), the International Accounting Standards Board (IASB), and the IFRS Advisory Council also attended. A list of participants is attached. A number of observers were present.

Welcome

Philip Reading, Head, Financial Statements and Bank Inspections, Österreichische Nationalbank (Austrian National Bank), welcomed participants to Vienna and said that the Austrian National Bank was pleased to host the meeting. He said that high-quality financial reporting is an integral part of financial statements and that globally transparent IFRSs are an important pre-condition of financial stability. National standard setters are an important source of local knowledge. He commented that the new IFRS 9 *Financial Instruments* will have a substantial effect on financial supervision.

Hans Hoogervorst, IASB Chairman, commented that he looked forward to welcoming the group to the World Standard Setters meeting in London on 15-16 September, when he would formally address attendees.

1. IASB Work Plan and IFRS Foundation Developments

1.1 Peter Martin, Director, Accounting Standards of the Canadian Accounting Standards Board (AcSB), who was joined at the presenter's table by Alan Texeira, IASB Senior Director - Technical Activities, referred the group to agenda paper 1, which discussed important developments at the International Accounting Standards Board (IASB) and the International Financial Reporting Standards (IFRS) Foundation since the last NSS meeting.

1.2 Mr. Martin drew the group's attention to the:

- issue of new and revised standards IFRS 10, 11, 12 and 13 plus amended IASs 1, 19, 27 and 28;
- the Effect Analysis for IFRS 10 and 11; and
- requests for stakeholder input on Annual Improvements, Effective Date of IFRS 9, the Agenda Consultation Paper, and Investment Entities.

1.3 Representatives' comments on the IASB's Work Plan overall included the following:

- A representative from the European Financial Reporting Advisory Group (EFRAG) said that EFRAG's endorsement of the above eight standards was in progress, and that EFRAG welcomed the Effect Analyses for IFRS 10 and 11.
- A representative from Mexico commented that IFRSs would be mandatory in Mexico in 2012. He said that Mexico lacked early adoption experience and he was concerned about the pending lack of comparability with previous years and the effect that this would have on the financial markets in Mexico.
- A representative from Australia said that standards that are difficult to apply tend to be adopted by preparers as late as possible. Nevertheless, if the hedging standard to be issued by the IASB allows for early adoption, early adoption will also be allowed in Australia and it is likely that preparers would elect to early adopt, which will have knock-on effects.
- A representative from Italy said that he would not support early adoption of big new standards, such as IFRS 9, because of the resulting lack of comparability between banks' financial statements. Mr. Martin said that in general Canada's financial institution regulator did not permit early adoption of any standards for that reason.
- A representative from Canada commented that Canada has a User Advisory Council, and that Council calls for all standards to be introduced fully retrospectively and adopted by all entities at the same time.
- A representative from Australia said that Australia prepares a compilation of all standards applicable at reporting dates to assist preparers in identify the mandatory requirements as at a particular reporting date. The compilation document is sometimes difficult to prepare, depending on the various possible patterns of early adoption.
- A representative from Japan commented that Japan is examining new standards regarding consolidation and considering whether to revise local requirements in line with those standards.
- Mr. Teixeira said that, in his personal view, the IASB needs to consider the situation of all the MOU projects and that positive decisions are required on all these, and other outstanding, projects.

1.4 Mr. Martin said that the IASB's principal active projects were revenue recognition, leases, financial instruments, and insurance contracts. He said that users, preparers, auditors and standard setters have provided conflicting messages regarding possible early adoption of the revenue recognition standard. He commented that insurance contracts is an extremely specialized and complex project that, after many years, was finally nearing completion. He said that most countries have different methods of accounting for insurance, compared with the IASB's proposals. The big concern in Canada is the proposed discount rate for long-term contacts.

1.5 Mr. Teixeira stated that the IASB and FASB are out of synch. regarding their proposals for insurance contracts. There are also still significant differences between the IASB and FASB proposals, and the IASB has slowed down its project to try to deal with the differences.

1.6 Mr. Teixeira said that financial instruments and offsetting of financial assets and financial liabilities were on the IASB's agenda for next week and that re-exposure would be debated. For hedge accounting he said that pushback is being experienced on drafting issues and not the fundamental concepts. The proposals for impairment of financial assets are likely to be re-exposed in 2012.

1.7 Representatives' comments on the IASB's principal active projects included the following:

- Commenting on fears that the old literature covering revenue recognition will remain in the FASB Accounting Standards Codification system, a FASB representative said that the FASB intends to withdraw all of its detailed, and often industry-specific, guidance on revenue recognition when the new converged standard is issued. FASB intends to communicate to its stakeholders, including the major accounting firms, that, once that literature has been withdrawn, it will not be appropriate to rely on it to interpret and apply the new converged standard.
- Mr. Texeira said that the big sticking point in the leases project was lessor accounting. This has now been resolved and, while there are still some differences, identical exposure drafts, with 120-day comment periods are expected to be issued by the IASB and the FASB before the end of 2011.
- A representative from EFRAG said that its outreach activities regarding leases have drawn very negative reactions from stakeholders in Europe. EFRAG recommends a fundamental reconsideration of the proposed model, particularly explaining why the proposed model is so different from that for other executory contracts.
- A representative from the FASB commented that stakeholders have expressed concern regarding the definition of "lease", suggesting that the industry is exploring whether the proposed standard can be circumvented by simply changing the contract to indicate that the leased asset can be substituted. The representative asked that NSSs evaluate whether this weakness indeed exists when commenting on the re-exposed standard. Some objections are also surfacing in the preparer and user communities regarding whether all leases should be considered financings of the right to use, and instead whether some leases should receive "straight line" income statement treatment by lessees.
- A representative from Germany said that most of the pushback on leases is coming from preparers, and that users are relatively silent.
- A representative from France stated that pushback on leases is coming from all parties. The substance of the matter, rather than the process, requires reconsideration.
- A representative from Hong Kong said that stakeholders in that jurisdiction were also expressing significant concerns with the lease proposals. The representative said he was pleased that the IASB and FASB were in agreement on the first Exposure Draft.
- A representative from Japan also expressed concerns about the lease project and suggested that the project be proceeded with carefully. He said that day-one profit issues would not be addressed under the current lessor accounting approach, and that the real estate industry has significant concerns regarding both the lessee and lessor models.
- A representative from Australia said that retailers in Australia were expressing concerns with the lease proposals. He commented that his sense was that, sometimes, the more stakeholders protest, the more this indicates that the standard setters could be on the right track. There is now a sense of resignation in Australia that the proposals will go forward.
- Mr. Texeira said that the IASB has prepared an outreach plan following the issue of the leases standard.
- The FASB Chairman said that the reasons for some of the differences on insurance contracts were that there is a lot of pushback in the US on the basic fundamentals. Stakeholders are asking why should there be a fundamentally different model for insurance compared to other (similar) industries. There is a need to evaluate the relationship between insurance liabilities and insurance assets.

- The Chairman of the IFRS Advisory Council said his Council would have an education session on insurance contracts in October. The Council has expressed a desire that the IASB and FASB move in tandem on this topic.
- A representative from the IASB said there is significant diversity around the world regarding the types of products offered in the insurance industry. This is a big challenge for the IASB (not so much for the FASB). Standard setters have to be careful not to create a mismatch between insurance assets and liabilities. A re-exposure of the proposals might be necessary.
- A representative from France urged the IASB to reconsider aspects of the insurance proposals (not only process matters). He said there was a need to be prudent, creative and convincing.
- The IASB Chairman commented that many jurisdictions are using non-GAAP measures for insurance contracts and a global standard is a necessity. He was concerned that many are using the concept of “underlying earnings”. He said that, while the IASB cannot deal with economic mismatches, that board will deal with accounting mismatches. He commented that we live in a volatile world and that volatility is the new normality.
- A representative from Australia said that the following two issues on insurance contracts should be dealt with:
 - the residual margin issue; and
 - the risk match issue.
- The NSS Chairman said that stakeholders need to understand the difference between financial reporting and an insurance entity’s capital requirements for regulatory purposes.
- A representative from the UK expressed concern that the insurance project was slowing down.
- A representative from France regretted that the IASB and FASB have not reached a common answer on financial instruments.

2. Topical Issues

Issue 1 – Financial Instruments

Classification and Measurement of Financial Instruments

- 2.1 Leslie Seidman, the FASB Chairman provided an overview of the tentative decisions reached by the FASB, and a comparison with IFRS 9 (see agenda paper 2.1 and accompanying slide presentation). She said this is an extremely controversial issue in the US. There are strong views on whether financial instruments should be measured at fair value in the balance sheet versus note disclosure. The entity’s business strategy should weigh heavily regarding classification. The FASB struggled to hear directly from investors. It heard from investor representative groups (having met with over 100 investors) but not from working analysts. The FASB heard loud and clear that the basic banking book should not be carried at fair value in the balance sheet.
- 2.2 The highlights of the FASB’s tentative decisions are as follows:
- Classification and measurement should be based on the characteristics of the instrument and an entity’s business strategy:
 - Financial instruments that do not meet the characteristics of the instrument criterion would be measured at fair value (net income).
 - Financial assets: Three categories based on business activity.

- Financial liabilities: Measured at amortized cost unless the entity has the ability and means to transact at fair value.
- Hybrid financial instruments should be analyzed for potential bifurcation and separate accounting for embedded derivative features.
- There should be no reclassifications between categories and no tainting rule.
- There should be no fair value option (except for assets and liabilities on a matched basis).
- Fair value should be presented parenthetically on the face of the balance sheet for all financial instruments, except demand deposit liabilities.

2.3 Representatives' comments included the following:

- Referring to a comment during the presentation that the only way to ascertain an equity security's value with certainty is to sell it, a representative from Australia said long-term investment companies in Australia often only trade securities when they need to replace bad investments. A representative from the FASB said that the problem is that there is no reasonable impairment model. He called for ideas on how to deal with the impairment of equity securities.
- Referring to the FASB's three conditions to apply amortized cost to financial assets, a representative from Hong Kong said that these differed from the IASB literature. Ms. Seidman commented that the FASB is still conducting outreach activities and that this would be a prime topic for discussion during the exposure period.
- Referring to a comment from a representative of the FASB regarding the notion of simple interest in IFRS 9, a representative of the IASB commented that the interest rate might be variable. He said that the problem is that the FASB has a definition of investment security that other jurisdictions do not have.
- Commenting on the next steps, the IASB Chairman said that the IASB and FASB would examine each other's proposals.
- A representative from France said that convergence on these standards is essential. He said that:
 - The elements of the proposals will be well received by the insurance industry in Europe.
 - The bifurcation of embedded derivatives in hybrid instruments is essential. The requirement to bifurcate own credit risk under IFRS 9 will be a big problem.
 - Many banks in Europe fair value liabilities because of the difficulty of applying hedge accounting. Unlike in the US, there is less differentiation between loans and debt securities in Europe.

EFrag's proposals for the accounting of embedded derivatives and the classification criteria of IFRS 9

- 2.4 Clement Chan, from the Hong Kong Institute of Certified Public Accountants Financial Reporting Standards Committee, presented the issues emanating from concerns, often expressed by European stakeholders, relating to the elimination of the embedded derivative bifurcation requirements in IAS 39 for financial assets. He said that the issues relate to the classification criteria of IFRS 9 and that standard's unit of account requirements. He also discussed EFRAG's proposals and the views of NSS members on this matter (see slide presentation).
- 2.5 A survey of NSS representatives by the Hong Kong Institute of Certified Public Accountants revealed diverse views as to whether IFRS 9 should be re-opened.

2.6 The NSS Chairman commented that a number of groups and individuals have devoted considerable time debating the meaning of “solely payment of principal and interest” and derivatives. She said the following issues required consideration:

- Views were divided whether changes should be made via the annual improvements process or whether IFRS 9 should be amended before it becomes effective.
- How much, if at all, will IFRIC be prepared or able to respond to requests for interpretation?

2.7 Representatives’ comments included the following:

- A representative from Japan said that, conceptually, Japan is of the view that IFRS 9 should not be re-opened; however, particularly after the financial crisis, the financial instrument standard is very important, and differences between the IASB and FASB need to be minimized as soon as possible.
- A representative from EFRAG said that organization was clearly in favour of re-opening IFRS 9. Comparability would be enhanced by the bifurcation of embedded derivatives. A post-implementation review of IFRS 9 should surface the problems.
- A representative from Japan agreed with EFRAG’s concerns regarding the bifurcation of embedded derivatives.
- A representative from France agreed that IFRS 9 should be re-opened.
- A representative from Australia said that the Australian standard setter would not be in favour of opening IFRS 9 on this issue; furthermore, he perceives some issues with long-term equity investments under the FASB’s proposals.
- A representative from South Africa said the Hong Kong Institute’s survey revealed some support for reopening IFRS 9. Once the IASB exposes the FASB model, there will be support for convergence in this area.
- A representative from Germany said that the application guidance in IFRS 9 is extremely complex and requires attention.

Issue 2 – Conceptual Framework – Unit of Account

2.8 Mr. Martin said that agenda paper 2.2 proposes an approach for developing guidance on the concept of unit of account as applied to financial accounting standards. He commented that the paper’s contents had not yet been discussed with the project team.

2.9 Representatives’ comments included the following:

- A representative from the FASB said that the paper assumes the rationality of standard setters and financial statement preparers in their choices of unit of account in past standards. He stated there has been no consistent rationale for past unit of account decisions and the standard setters working on this issue should evaluate whether they can discover any rationale. Unit of account can be different for recognition, measurement, presentation and disclosure. Disclosure and presentation requirements are usually set at a higher level of aggregation than recognition and measurement units of account. The paper should address why and how this is so. He suggested that the unit of account be the same for all purposes, and queried how unit of account decisions currently made in practice relate (or do not) to the overall objectives of financial reporting. Standard setters

have not always addressed unit of account issues with care and in a way that advances the objectives of financial reporting.

- A representative from the UK endorsed the above comments and said that EFRAG is doing work on business models and business strategies as bases for accounting standards. Consideration should be given to the difference between those terms (if any) and whether EFRAG's work may provide some insights on unit of account.
- A representative from the IASB said the paper is a good first step. The IASB representative said that in practice today, as the level of aggregation of items increases, it increases the possibility that something would be recognized when it wouldn't be recognized by itself. This issue needs to be explored and discussed in the paper.
- A representative from Japan supported the project and the next steps. "Top down" analysis is very helpful but the paper needs a lot more detail, including examples. The representative questioned the meaning of "unique profile of cash generation". He asked for a definition, to help with the translation of this English expression into other languages. He suggested assigning project team members to specific topics.
- A representative from the UK said the paper is very good. He commented that the objective of financial reporting should not be confined to the amount, timing and uncertainty of future cash flows. Offsets, risks and financial flexibility should also be considered. In addition, the paper needs to make explicit references to stewardship.
- A representative from Australia said unit of account work should be regarded as a tool for furthering other aspects of the conceptual framework project. It should not become a main part of the framework project and should not become a "back door" way of defining financial statement elements.
- A representative from the FASB said that the project team should consider doing a "thought exercise" about gross versus net, to explore the considerable diversity in practice on that topic. The team should compare what, if any, basis could be provided for determining different units of account for presentation relating to offsetting of financial assets and liabilities (gross), leased items (gross), insurance (net) and revenue recognition (a mixture).

2.10 The Chairman closed the session by stating that Canada would be in touch with NSS members who have volunteered to work on this project and that there would be a report-back to the March 2012 NSS meeting.

Issue 3 — Prospective Application Provisions of Amendments to IFRSs

2.11 Jae-Ho-Kim, Senior Researcher, Korean Accounting Standards Board said that the following two issues arise when an amendment to an IFRS includes a provision that the amendment should be prospectively applied to transactions entered into after its effective date:

- Is the prospective application provision available for first-time adopters?
- Is it desirable to revise IFRS 1 and add to existing exemptions so that first-time adopters are obviously eligible for the prospective application in parallel with entities that have been applying IFRSs before the amendment?

2.12 A representative from the IASB said that this topic is on the agenda for the IASB's meeting next week.

2.13 Representatives' comments included the following:

- A representative from Japan said that the most important issue was to ensure equitable treatment between existing IFRS preparers and first-time adopters. He said that more in-depth analysis was required for each of the items in the paper's appendix as to whether issues similar to those raised by the presenter exist.
- A representative from Australia commented that the issue of first-time adoption can recur as individual entities within IFRS jurisdictions first apply IFRSs.

Issue 4 — The IASB's Emerging Economies Working Group

2.14 Wayne Upton, the IASB's Director of International Activities, said that the initial attempt to form this group was unsuccessful. However, based on break-through ideas from the Peoples Republic of China, the group was finally formed. Membership was initially limited to jurisdictions designated by the G20 as emerging economies, together with Malaysia. The group is implementation oriented and was not formed for educational purposes. China provides the secretariat for the group. The format for meetings is a full day is devoted to single topics, while smaller emerging topics are covered in half day meetings.

2.15 The group's first meeting was held in Beijing and the key topic was fair value measurement, for which China prepared a paper covering 16 issues. Some of the issues are not limited to emerging economies. The paper is currently being revised and next steps are being considered. Group members contributed to the revised paper, which includes subject matter from standard setters outside the group. The group's next meeting will take place in December in India. Consideration will be given to sharing the paper with NSS members once it has been reviewed for consistency with IFRS 13.

2.16 A representative from Japan said that there are also several concerns with regard to fair value measurements in Japan, and questioned the relationship between the project and any educational material that might be considered by the IASB.

3. Improving the Financial Reporting of Income Tax

3.1 Dr. Iwona Nowicka and Andrew Lennard, from the respective staffs of the German and UK standard setting boards, said that the purpose of the project is to improve the financial reporting of income tax and is being carried out as part of EFRAG's proactive work. This is a joint project of the UK Accounting Standards Board, the German Accounting Standards Board and EFRAG (see agenda paper 3).

3.2 The objective of the project is to gain input and not to argue for a particular solution. The first part of the project aims to improve IAS 12, while the second part will review some possible new approaches. The views in agenda paper 3 are the personal views of the presenters.

3.3 Agenda paper 3 discussed research into possible improvements to IAS-12 without re-opening the debate on fundamental principles; for example, improving the presentation of tax balances, standardizing the reconciliation of the effective tax rate to the statutory rate, discounting deferred tax balances and dealing with uncertain tax provisions. Another approach involves a more fundamental reconsideration of basic principles. Five different models were outlined: temporary

differences, flow-through, partial allocation, valuation adjustment (net-of-tax) and the accruals method.

3.4 Representatives' comments included the following:

- A representative from Australia said the paper was a very good way to initiate the debate. He commented that:
 - While the fundamental principle in IAS 12 is sound, the standard can certainly be improved.
 - The suggestions regarding disclosure are troublesome because of overload considerations.
 - The suggestion to discount deferred taxes is questionable from both a practical and conceptual perspective.
 - The recognition and measurement of uncertain tax positions needs improvement (possibly urgently).
- A representative from Canada agreed with the Australian representative's comments. He said that the IASB made an effort to improve IAS 12 and that some in Canada did not agree that the result was an improvement. It might be better to commence with a clean sheet of paper, as envisaged in Part 2 of the consultation process (that is, a more fundamental reconsideration of basic principles).
- A representative from South Africa agreed with the tenor of the paper. She said that the tax rate reconciliation requirements of IAS 12 are difficult to use and the paper's suggestion is welcome. The concept of OCI did not exist when IAS 12 was written. IAS 12 needs to be re-examined in the light of developments since the standard was written.
- A representative from New Zealand said that it is difficult to determine a number for deferred tax and to understand how users use that number.
- A representative from Norway said that discounting deferred tax is a controversial issue and it would be necessary to determine a consistent method to determine a discount rate. Mandatory discounting is not desirable. Discounting assumes some importance when an acquisition is made. Research on discounting shows that markets place no importance on deferred taxes.
- A representative from Japan stated that he was neutral concerning discounting deferred taxes if double accounting issues were solved, and said that this is a complex topic. On reviewing the possible different approaches for the accounting of income taxes, he favoured the temporary difference approach.
- A representative from New Zealand suggested that the paper should include matters to think about when evaluating the different approaches, such as:
 - Do the potential items on the balance sheet meet the definitions of assets and/or liabilities?
 - Are some approaches adopting the matching principle rather than being accruals?

3.5 Mr. Lennard said that a revised version of the paper would be sent to the NSS group. He said that the location of jurisdictions would be taken into account in deciding on the comment period (southern hemisphere nations might have problems responding in time).

4. IASB Agenda Consultation

4.1 Mr. Teixeira provided the background and context of the IASB's 2011 agenda consultation process, which occurs on a three-year basis. He also discussed the IASB's tentative views on matters that

need to be considered. He called for input on the IASB's strategic direction and overall balance of its work. He said it was important to understand global financial reporting needs, and that constraints, such as existing commitments, staff and resource constraints, and the ability of stakeholders to respond to due process requirements need to be taken into account. The consultation period will end in November and a feedback statement will be published in the second quarter of 2012.

4.2 Representatives' comments included the following:

- A representative from France said the IASB should focus on "need" and "concept".
 - "Need" requires the standard setter to focus on matters that are missing or are a problem. There is also a need to deal with the issue of convergence.
 - "Concept" requires consistent thinking in dealing with issues.
- A representative from Mexico also called for consistency (for example, consistent treatment of acquisition costs). He said consistency could be obtained by suitable amendments to the Conceptual Framework.
- A representative from Sweden called for the issue of recycling out of other comprehensive income to be dealt with promptly.
- A representative from Brazil referred to the issues of the US converging with IFRSs and diversity in adopting IFRSs, and called for discussions on these matters.
- A representative from the UK welcomed the consultation paper and said it was incumbent on all NSSs to assist the IASB.
- The NSS Chairman commented that thought should be given to the balance between standards being developed currently and the maintenance of existing standards. Mr. Teixeira commented that possibly major projects could be worked on in conjunction with smaller ones. He called for input on this issue.
- A representative from the FASB said it is a major challenge to set priorities across the world, and that NSSs should think about assisting the IASB to determine priorities. The NSS Chairman commented that the development of regional groups makes it easier for the IASB to consult standard setters. Mr. Teixeira said that IASB was aware of these issues and that NSSs need to consider how all concerned can work together.
- A representative from the IASB said that consultations between the IASB and NSSs are working well. The IASB is interested in knowing whether issues are prevalent across the globe and if there is diversity in applying standards. He said that NSSs might be able to assist the IASB in the area of Shariah compliance. A problem is that many Muslim communities are not involved, and there did not appear to be any areas with a competitive advantage in this matter. A representative from Australia said that, on the contrary, there is considerable expertise on Islamic finance matters in Asia. In particular, he commented on the good work being done by Malaysia.
- A representative from Japan said that the five strategic areas identified in the document seem to have different time frames and questioned the interaction between post-implementation review (one of the strategic areas) and effect analysis.
- In reply to a question from a representative from Japan, Mr. Teixeira said that the effects analysis process would be applied at each major milestone of a project. At each stage, stakeholders will be provided with an analysis and history of the particular project.
- A representative from Canada said that the recent issue of eight new and amended IASB standards could result in feedback from Canada that stakeholders are suffering from "standards fatigue". There are also likely to be significant implementation issues related to

these standards, and the four priority standards currently being developed (financial instruments, revenue recognition, leases and insurance contracts).

Rate-regulated Activities

Presentation by India (agenda paper 4.1)

- 4.3 Manoj Fadnis, Chairman of the Institute of Chartered Accountants of India, said that, at the insistence of the Government of India, his Institute is currently examining the issue of accounting for rate-regulated activities.
- 4.4 Mr. Fadnis presented arguments that the regulations governing electricity generation and distribution in India result in the creation of assets and liabilities as defined in the IASB's Conceptual Framework. He recommended that the IASB begin a project on this topic as soon as possible.
- 4.5 The NSS Chairman commented that the presenter's Institute was confronted with a large problem, in that the Government of India has directed it to develop guidance for rate-regulated activities in that country, and this could result in divergence from IFRSs.

Presentation by Canada (agenda paper 4.2)

- 4.6 Mr. Martin explained the situation in Canada. The adoption of IFRSs in Canada became mandatory for most publicly accountable enterprises, effective for interim and annual financial statements relating to periods beginning on or after January 12, 2011. When the IASB called a halt to its project on rate-regulated activities it resulted in considerable uncertainty among the rate-regulated community in Canada. As a result, the AcSB decided in October 2010 to provide qualifying entities with rate-regulated activities with the option to defer their first-time adoption of IFRSs by one year.
- 4.7 Most stakeholders with rate-regulated activities took advantage of the AcSB's deferral, with a small number adopting either IFRSs or US GAAP immediately. Some stakeholders sought and received relief from immediately adopting IFRSs from Canadian securities regulators.
- 4.8 The NSS Chairman commented that the big concern in Canada is that IFRSs have been adopted as is, and that if there are no interpretations, by definition there is a gap that will be filled by someone, such as the major accounting firms (in Canada the major firms have differing views on the rate-regulated accounting). The rate-regulated industry needs some sort of answer from the IASB or the IFRS Interpretations Committee.
- 4.9 Representatives' comments included the following:
 - A representative from Australia commented on the irony of the situation, stating that prior to IFRSs being introduced in Australia, internally developed intangible assets were brought into account. A halt had to be called to this practice, which occurred without calamitous results. He said that there were many rate-regulated enterprises in Australia. He observed that there is a price to be paid for early adoption of IFRSs and also for adopting at a later stage.
 - The NSS Chairman said that it is essential to discuss major practice issues, and that these should be brought to the attention of the IASB.

- A representative from Brazil said that rate-regulated enterprises in that country had to write-off regulatory assets. The IASB should consider resolving the situation regarding accounting for rate –regulated activities.
- A representative from France said there were two issues:
 - How do you deal with the problem of IFRSs being applied differently in various jurisdictions?
 - The fundamental conceptual differences linked to national issues.

5. Administrative Matters

(This agenda item was held *in camera*. A separate report on these proceedings is provided.)

6. Statement of Best Practice

Potential Implications of IASB Extended Outreach for National Standard Setters

- 6.1 Kevin Stevenson, Chairman of the Australian Accounting Standards Board, said that the IASB has substantially increased the use of extended outreach activities to complement formal due process. He outlined the issues, potential problems and possible solutions, which are detailed in agenda paper 6.A.
- 6.2 He contended that extended outreach could obviate the need for further IASB due process, at least on some occasions. The NSSs and others responsible for domestic vetting and approval of IASB standards need to have proper processes to justify the decisions they take. However, the following matters require consideration:
- There might be inadequate bases for NSSs to form opinions on IASB standards.
 - Delays in local approval by NSSs could be a problem.
 - Extended NSS outreach is likely to be compromised by the imbalance between the merits of any individual issue and overall compliance with IFRSs.
- 6.3 Possible NSS-based solutions are as follows:
- Track extended outreach more carefully.
 - Assess on a timely basis (and communicate with the IASB) any material risks of sampling error due to local characteristics not being addressed by the IASB.
 - Conduct contemporaneous NSS extended outreach when needed, and communicate outcomes to IASB.
 - Amend documentation of NSS due process.
- 6.4 Representatives' comments included the following:
- A representative from the IASB said that outreach is very beneficial to the IASB. He commented that outreach is not a substitute for due process; rather it's intended to complement due process. The IASB is keen to coordinate its outreach activities with NSSs (there are a limited number of NSSs able to perform outreach activities and co-operate with the IASB).
 - A representative from EFRAG said that outreach is necessary to understand whether the IASB's proposals are workable. NSSs should assist this process, which enriches due process. Direct communication between the IASB and its stakeholders is valued by the latter.

- A representative from Canada said that the Canadian Accounting Standards Board does its best to arrange outreach meetings in Canada. He said that when Canada, in effect, outsourced the development of accounting standards, a big concern in endorsing the ensuing standards is to demonstrate that adequate due process has been followed by the IASB. For example, when changes are made to exposure drafts and these are not re-exposed, how can Canada be sure that adequate due process occurred? Canada will place significant reliance on the activities of the IFRS Foundation Trustees' Due Process Oversight Committee.
- A representative from Australia voiced similar concerns as those expressed by Canada regarding the adoption of IFRSs.
- A representative from the IASB said that any significant change in an exposure draft would always be re-exposed; outreach is not a substitute.
- The IFRS Advisory Council Chairman said that the Chairman of the Due Process Oversight Committee will be attending the next meeting of the Advisory Council and that he will outline how his Committee proposes to monitor the IASB's due process.
- A representative from South Africa said that outreach is complementary to due process and a very useful communications tool. It assists interaction between users, preparers and a standard setter's staff.
- A representative from the FASB said that a range of views had been expressed regarding outreach, and a middle ground between over-managing the process and not doing enough is required. The FASB and NSSs should ensure that due process is followed and work closely with the IASB to avoid inefficiencies.
- A representative from Japan said that NSSs should be utilized as they are aware of the appropriate constituents in their respective jurisdictions for each outreach activity and that these constituents might change.
- A representative from the UK said that regulatory impact assessments are required in the UK. Mr. Stevenson had previously indicated that a possible solution might be to gain domestic regulatory recognition for IASB due processes as being capable of being leveraged by NSSs (providing NSS employ compatible formal due process and complementary assessments of any extended outreach).
- A representative from the FASB was troubled regarding the occasions when the staff summarizes proceedings at outreach meetings at which not all FASB members are present. It is an incestuous situation in that the staff are also preparing the board meeting papers.
- A representative from the IASB commented on the IASB's new SharePoint website facility, designed to improve communications with NSSs. The facility will have links to the sites of NSSs, and standard setters will be able to down-load documents, such as pre-ballot drafts. The intention is to improve the relationship of the IASB with NSSs and turn it into more of a partnership.
- A representative from France said that process and substance regarding communications are closely related. The more that outreach is performed prior to the exposure of documents, the better substance can be managed.
- A representative from Hong Kong said that prospective outreach will enhance the consultation process. Roundtables should not replace re-exposure; they are complementary processes. Roundtables could help to solve problems regarding the forthcoming financial instruments standards.
- A representative from Germany said that stakeholders need to be involved; however there is a limit to how many times they can be consulted on the same issue. The NSS

Chairman commented on the importance of this point, particularly regarding specialized topics. Better liaison was required between the IASB staff and staff of NSSs.

Setting a New Course Towards Efficiency

- 6.5 Jérôme Haas, Chairman of the French Accounting Standards Authority, and Isabelle Grauer-Gaynor, Technical Director of the French Accounting Standards Authority, said that, at this stage, it did not seem appropriate to propose a revised version of the existing Statement of Best Practice document. The presenters provided background to assess the relevance and need for revision of the extant document and said that a complete proposal would be made in due course. They discussed the timeliness of the review, the importance of establishing a useful relationship between the IASB and NSSs and the importance of all involved working together (see agenda paper 6B-2).
- 6.6 Mr. Haas commented that there are likely to be different issues in various countries. Problems must be dealt with at the right level. There is an inherent risk of bias in reaching out to particular groups in particular regions and this should be dealt with. The paper and its suggestions should be viewed as a starting point and could be used to improve the global system. It is critical to demonstrate that the NSSs and IASB can work together and that the results are accepted by all.
- 6.7 The NSS Chairman requested the group to examine the questions in agenda paper 6B-3 and to respond to the project team consisting of representatives from France, Germany, Italy, Japan and the UK. She also said it was important to consult the IASB in developing the paper.
- 6.8 Representatives' comments included the following:
- A representative from EFRAG said it is important to co-operate with the IASB regarding research, standards implementation, and responding to the IASB's needs. Regional groups make sense because individual relationships are becoming increasingly difficult.
 - A representative from the IASB said that the paper was discussed at board level and that the IASB wanted to be involved as soon as possible. He concurred that it is desirable to redefine the change in the IASB's relationship with NSSs and that the relationship should be more of a partnership. He expressed disappointment at the narrow scope of the paper and said that it lacked ambition. In addition to interacting with the NSSs, the IASB should also interact with the regional groups. These groups provide a voice for those that do not have an ability to write comment letters. He said that the NSS requires a more apt name to imply that its relationship with the IASB is more in the nature of a partnership. The IASB is in the process of rethinking its relationship with the NSSs to allow it to set standards more effectively.
 - A representative from the UK agreed that the paper should display more ambition. It is necessary to assist those standard setters that have inadequate resources.
 - A representative from Japan said that the status of the paper [that is, whether the paper is a Memorandum of Understanding (MOU) or an informal document] should be clearly stated at the beginning of the paper. The paper should place more emphasis on the importance of the regional groups. In addition, consideration should be given for a specific MOU between the IASB and each NSS as it is a matter of judgment in each jurisdiction. The NSS Chairman commented that it is beyond the powers of many jurisdictions to enter into an MOU. Many jurisdictions do not have the resources to fill all the required functions, so the original draft MOU was turned into a Statement of Best Practice.

- A representative from Germany said that the Statement of Best Practice is hard to find on the IASB's website. It should be a more active document and promote the notion of a partnership between the IASB and NSSs.
- Replying to questions regarding the implementation and interpretation of standards at the domestic level, a representative from the IASB commented as follows:
 - It is undesirable that different jurisdictions interpret IFRSs differently.
 - The IFRS Foundation Trustees have stressed the importance of common implementation of IFRSs.
 - The IFRS Interpretations Committee (IFRIC) would like to be more active and this should be encouraged.
 - Sometimes there are jurisdiction-specific issues of which the IASB is unaware. NSSs with these issues should advise the IASB and/or IFRIC of these and they might learn that these issues are in fact not unique to one jurisdiction. The NSS Chairman suggested that those submitting issues to IFRIC should also advise other NSSs of these. NSSs should also advise the group if they intend to issue domestic interpretations. She suggested that NSSs should use IFRIC as a clearing house.
- A representative from Italy said that a more formalized document than the Best Practice document might be desirable. Also, it should call for a consistent application of IFRSs and, in this regard, the role of IFRIC is critical. IFRIC should also consider carefully the wording it uses for rejections when it decides not to take an item onto its agenda.
- Mr. Haas said that IFRSs are being used to varying degrees across the world. Some jurisdictions have adopted IFRSs fully, while others have made amendments or carved out provisions. There is a need to obtain information at ground level to understand what is happening in all jurisdictions regarding the use of IFRSs.

6.9 The NSS Chairman closed this session by asking the group to consider the questions posed in agenda paper 6B-3 and provide feedback to the French Accounting Standards Authority in the next four to six weeks. The project team should seek input from the IASB for incorporation into the amended paper and a more concrete proposal should be brought to the next NSS meeting in March 2012.

7. The "True and Fair View" in Financial Reporting

7.1 Andrew Lennard, from the staff of the UK Accounting Standards Board, presented a paper on this topic (agenda paper 7) and said that the paper aims to provide a basis for a discussion on the role of "true and fair" in financial reporting. He called on representatives to share their experiences on this matter. He said that different terminology is used in different jurisdictions; IFRSs, for example, refer to "a fair presentation," but for the purpose of this paper the meaning is taken to be the same as "a true and fair view".

7.2 Mr. Lennard said that the true and fair requirement remains of fundamental importance in both UK GAAP and IFRSs. It avoids the presumption that there is only one correct way to account for a transaction, and leaves room for professional judgment. The requirement is important to:

- ensure that the financial statements communicate a true and fair view of an entity's financial position and financial performance; and
- present a defense against "financial engineering" where transactions are structured to comply with standards, but do not give a true and fair view.

- 7.3 Agenda paper 7 comments on the requirements in IAS 1 and IAS 8 regarding the need to consider substance over form and that mere compliance with the individual requirements in IFRSs does not always satisfy the need for a true and fair view, in which case the appropriate response in almost all cases will be to provide additional disclosures in the financial statements.
- 7.4 Those who oppose a true and fair requirement might urge instead that invariable compliance with accounting standards should be required and that, in the event that standards do not address a particular circumstance, the precepts of the conceptual framework should be followed.
- 7.5 An unfortunate feature of earlier debates on this matter was centred on whether a true and fair override is desirable. An override seems to be necessary if there is to be an effective true and fair requirement. Abuse of the override can be safeguarded by additional disclosures.
- 7.6 The Chairman of the Accounting Standards Board stated that the paper was well received in the UK.
- 7.7 Representatives' comments included the following:
- A representative from Australia said that various attempts have been made to use a true and fair requirement in Australia. Currently in Australia, preparers must comply with accounting standards and if the financial statements are not considered to be true and fair, additional disclosures are required. He said many want to show so called sustainable earnings. Sometimes these are genuine, at other times their disclosure is an opportunistic ploy. He had no desire to open up a discussion on true and fair in Australia. He noted that a situation is true and fair if it is in accordance with the conceptual framework.
 - A representative from the IASB said that he had observed that the use of the override is infrequent. Preparers are grappling with situations where they do not like the answers presented by IFRSs. This is not a reason to use the override. It should only be applied for situations that were not envisaged.
 - A representative from Canada said that Canada used to employ the override in its GAAP, but this provision was eliminated. Canadian GAAP tried to ensure that the proper application of an accounting standard would result in its objective being met. On the adoption of IFRSs in Canada, regulators were shocked that an override might be employed.
 - A representative from the IASB suggested that the SEC staff might want to re-examine the requirement in Sarbanes/Oxley that the CFO and CEO certify that the financial statements "present fairly".
 - A representative from Brazil said that "true and fair" has been used for many years in that country. The auditor must give an opinion that the financial statements follow IFRSs and also local GAAP (compliance with both sets of standards is required).
 - A representative from the FASB said that the SEC has been considering the matter of principle-based standards, and recently requested the FASB to consider appropriate disclosure requirements if the financial statements do not provide all the information required by investors. The FASB is looking into this request.
 - A representative from Japan said that he understood the importance of exercising judgment under the "true and fair" concept, but was concerned that it might result in selective application to avoid complying with unfavourable requirements.

8. Reports from Regional Groups

Update on Activities of the Asian-Oceanian Standard-Setters Group (AOSSG)

8.1 The AOSSG Chairman, Ikuo Nishikawa, provided an update on activities, including organizational matters, technical affairs, and governance and due process related matters (see agenda paper 8). He commented that there is a proposal to extend the Vice Chairman's term from one to two years.

8.2 Representatives' comments included the following:

- In reply to a question, a representative from Japan said that there were about 60 to 70 jurisdictions in the Asian-Oceanian geographical area. A representative from Australia said that the group's eventual membership was unlikely to exceed about 35 jurisdictions.

Financial Reporting Standards for Islamic Transactions

8.3 Tan Bee Leng from the staff of the Malaysian Accounting Standards Board (MASB) provided an update on this topic. She referred to the AOSSG Islamic Finance Survey, the purpose of which was to understand the prevalence of Islamic accounting standards and to understand the differences in requirements, if any. Of the 22 responses received to date, 50 per cent of respondents had Islamic finance transactions, and 63 per cent of the respondents said that they do not have separate financial reporting standards for such transactions. Twenty-nine per cent of the respondents do have separate financial reporting standards, and of those, 57 per cent are based on the Accounting and Auditing Organization for Islamic Financial Institutions Financial Accounting Standards. The presenter asked for input from NSS members before the survey's September 30 deadline.

8.4 Ms. Tan also provided the view of the MASB on Islamic transactions, stating that MASB-approved accounting standards are virtually word-for-word identical to IFRSs and that no Shariah prohibitions have been identified.

Update on EFRAG Activities

8.5 Françoise Flores, Chairman of EFRAG, provided an overview of EFRAG's activities, details of which are listed in agenda paper 8. She said that since the last NSS in March, EFRAG has monitored the development by the IASB of its four main active projects (revenue, leases, insurance contracts and financial instruments), provided input to the IFRS Foundation Strategy Review, initiated its due process to respond to the IASB's request on the post-convergence agenda, initiated its endorsement advice process following the IASB publications in the period, and last, but not least, developed its pro-active activities.

8.6 Ms. Flores commented that the Discussion Paper on business combinations under common control, which is being developed in a partnership with the Italian and French standard setters, is expected to be published shortly (the NSS Chairman suggested that the group be notified when the paper is ready for comment). Also, EFRAG is very pleased that FASB has joined the team working on the disclosure framework project. In addition, projects on understanding the needs of users, and separate financial statements in IFRS have been added to the work agenda.

Update on the Activities of the Group of Latin American Accounting Standard Setters (GLASS)

- 8.7 Felipe Perez-Cervantes, Chairman of the Mexican Financial Reporting Standards Board, provided an overview of the mission, structure and objectives of the newly created Group of Latin American Accounting Standard Setters. GLASS was created on 28 June 2011 to enable standard setters in Latin America to speak to the IASB with a single voice. GLASS has a membership of 12 of the 25 Latin American countries. A condition for joining GLASS is that the proposed country must have an established accounting standard setter. Issues of interest to the region will be dealt with by Technical Working Groups (TWG), organized by subject area and advised by specialists. He commented that a TWG had been created to discuss proposals regarding the IASB's future agenda.
- 8.8 Mr. Perez-Cervantes said that GLASS has no legal standing. The organization has rules and regulations in Spanish and Portuguese.

Update on the Activities of the Pan African Federation of Accountants (PAFA)

- 8.9 Sue Ludolph, Project Director (Financial Reporting) of the South African Institute of Chartered Accountants, said that PAFA was launched on 5 May 2011 with a membership of 37 from 34 countries (see agenda paper 8). There are 56 countries in the African region. She said that PAFA's mission is to enhance the status of the accountancy profession in the African continent to serve the public interest. PAFA intends to influence the process of technical capacity building in a number of ways, including promoting the adoption and implementation of international standards (many countries in Africa have not yet adopted IFRSs). The first Annual General Assembly of PAFA members will take place in May 2012.
- 8.10 In reply to a question, Ms. Ludolph said that PAFA replaces the five existing African regional bodies and that they will be disbanded by the end of 2011. She said that PAFA has an informal legal status and not necessarily in each country. Also, PAFA levies membership fees on its members.
- 8.11 A representative from Saudi Arabia said that, as part of its future outreach activities, the IASB might wish to think about fostering the creation of legal regional groups.

9. The Assessment of Accounting Standards: The need for an Ambitious Approach

- 9.1 Philippe Bui, Research Director of the French Accounting Standards Authority, made a presentation on ensuring the effectiveness and efficiency of past and future decision taking, whether in respect of legislation or regulation or even within the scope of project management. Thus, assessment is a means of achieving public accountability and of making the decision process more transparent. It is also a means of determining whether public interest has been correctly served (see agenda paper 9). The presentation covered the need for assessments, discussed terminology matters and what is an assessment of an accounting standard, the merits of an assessment before versus after the implementation of a standard, and best practice to achieve an assessment.
- 9.2 The Chairman of the French Accounting Standards Authority commented on the need to implement assessments with economy, vigour and efficiency. He said the missing link involved how to do a good assessment; that is, there is a need to develop adequate tools and credible processes.

9.3 Representatives' comments included the following:

- A representative from Australia queried the role of capital market research on the proposals, stating that there is no accepted way to ascertain the effect of standards on share prices. Mr. Bui said that academics have done ex post research; however, there is a need to develop a methodology to make a good assessment before the proposals are implemented.
- A representative from Germany said that with so many regulators in potentially 100 countries, taking each of their specific circumstances into account would make it very difficult to arrive at a common solution. A representative from France said that this hurdle could be circumvented; it's a matter of organization.
- A representative from the FASB said that one must be sure that the proposals would provide an improvement on current practice at a reasonable cost. A meeting of the minds is required; it's irrelevant if the assessment is done before or after implementation.
- A representative from the FASB queried what Mr. Bui was trying to achieve, stating that the proposals are extremely difficult and ambitious, particularly trying to accomplish them before a standard is implemented. In addition, he did not believe that the requisite research infrastructure was in place. Academic research is more likely to provide an answer if it is done after a standard is implemented. A representative from France said that there is room for improvement from today's situation and urged the group to consider the proposals.
- Some participants were not clear on the distinction between the proposals and those in EFRAG's Effects Study paper. The NSS Chairman suggested that it might be useful to advise the group of the distinction; so that useful feedback could be provided to the French Accounting Standards Authority.

10. A Framework for National Standard-Setters

10.1 Robert Keys, Technical Director of the Australian Accounting Standards Board, gave a presentation on the draft *Framework for National Standard-Setters* paper (see agenda paper 10A). The paper reflected comments of the NSS group on the previous draft considered at the March 2011 NSS meeting.

10.2 Representatives agreed that the paper should continue being developed.

10.3 Representatives' suggestions for improving the paper included the following:

- The term "Framework" should be avoided, to more clearly distinguish the paper from the "Conceptual Framework". Also, concern was expressed that the term "Framework" risks giving the impression of rigidity and would not adequately convey the aspirational nature of much of the paper's content.
- The aspirational nature of the paper could be more explicitly acknowledged in the body of the paper to help ensure that the paper is not seen as being descriptive of current practice in NSSs.
- Although the paper should continue to be written from the point of view of a NSS within the context of the IASB, the paper should more clearly acknowledge that a NSS might have a broader role to play in its own right. In that regard, consideration should be given to including material that acknowledges the importance of NSSs. Furthermore, the paper should avoid implying that a NSS might only react to the IASB. NSSs have a role in

obtaining views of constituents, including making best endeavours to obtain input from users and ascertaining their needs, and communicating those proactively to the IASB. NSSs also have a role in explaining IFRSs to users.

- In relation to the paper's reference to a NSS refraining from producing its own interpretations of IFRSs (see paragraph 6.12), the paper should explain the process that a NSS should undertake when it identifies an issue that potentially would give rise to domestic guidance.
- The paper should continue to note the relationship between government policy and the public interest and clarify a NSS's role when there is a perceived conflict between the objective of financial reporting and government policy. The paper should focus on the quality of a NSS's processes, and avoid implying that a NSS would not satisfy the qualitative characteristics identified in the paper if it is obliged to comply with a government policy that is perceived to conflict with the objective of financial reporting.
- In relation to the six qualitative characteristics of a NSS presented in the paper, three (acting in the public interest and neutrality, independence, and objectivity) could be regarded as fundamental and the other three (competence, efficiency, and effectiveness) could be regarded as enhancing. Also, "Disclosure and Accountability" could be more appropriately incorporated into the "Due Process" section of the paper.

10.4 NSS representatives noted that, given the paper provides guidelines that help define a NSS's interaction with the IASB, there is a close link to the IASB's *Statement of Best Practice: Working Relationship between the IASB and other Accounting Standard-Setters*, which is currently subject to review (see agenda item 6). Representatives noted that the work being undertaken on the review of the Statement of Best Practice and the work being undertaken to develop the Framework for NSSs could each inform and thereby enhance the other. Indeed, in due course, consideration should be given as to whether the outcome of the work on the Framework should be an attachment to the revised Statement of Best Practice – albeit that a NSS's role is broader than its role in relation to the IASB (see item 10.3, third bullet point).

10.5 NSS representatives also noted that:

- until it is finalised, the Framework could be provided as a "staff draft" for those who wish to refer to it earlier; and
- once developed, the Framework could be used as a basis for a NSS's oversight body to evaluate the NSS against.

10.6 The NSS Chairman asked Australia to consider incorporating the above feedback into the paper and circulating an amended draft to all NSSs for comment through the IASB's IFRS Committees site for NSSs (SharePoint). Australia will then consider all comments received through SharePoint with a view to providing a draft to the next NSS meeting for potential finalization, within the context of developments of the review of the Statement of Best Practice.

11. Conclusion

11.1 The Chairman listed the following topics for the attention of NSS participants:

- The Unit of Account research needs to be developed further and a report brought to the next NSS meeting in Kuala Lumpur on 29-30 March 2012.

- The UK, Germany and EFRAG will advise the group once the paper on income taxes is published. Similarly, Italy, France and EFRAG will advise the group on the publication of the paper on business combinations under common control. This will enable NSSs to respond. There will likely be a brief report-back at the next meeting.
- The comment deadline for the IASB Agenda Consultation is 30 November 2011. The IASB will provide a report-back at the next NSS meeting.
- The IASB will report back on the status of outreach activities at the next NSS meeting.
- NSS participants are asked to provide answers to the questions posed in agenda paper 6B-3 regarding the Statement of Best Practice and provide feedback to the French Accounting Standards Authority in the next four to six weeks. The project team should work with the IASB to develop more concrete proposals for discussion at the next NSS meeting (EFRAG expressed a desire to participate in the development of this project).
- NSS participants should provide comments to Andrew Lennard of the UK Accounting Standards Board staff on the “True and Fair View” in Financial Reporting (agenda paper 7). This topic will likely not be discussed at the next NSS meeting.
- EFRAG will share the analysis of respondents’ comments on the Effect Analysis paper, together with conclusions, if any, at the next NSS meeting.
- The NSS group was asked to forward details of topical issues that participants wish to discuss at the next meeting to the Secretariat.
- The next NSS meeting might include feedback on the post-implementation review exercise being conducted by the IASB’s Due Process Oversight Committee.
- At future NSS meetings, regional bodies should provide written updates on their recent activities, with meeting time being limited to answering questions.

Appendix A

NSS MEETING – 12-13 SEPTEMBER 2011 VIENNA – LIST OF PARTICIPANTS

Name	Jurisdiction	Organization
Kevin Stevenson	Australia	Australian Accounting Standards Board
Robert Keys	Australia	Australian Accounting Standards Board
Alfred Wagenhofer	Austria	Austrian Financial Reporting and Auditing Committee
Gerhard Prachner	Austria	Austrian Financial Reporting and Auditing Committee
Jan Verhoeve	Belgium	Belgian Accounting Standards Board
Sadi Podevijn	Belgium	Belgian Accounting Standards Board
Ernesto Gelbcke	Brazil	Brazilian Accounting Pronouncements Committee
Gord Fowler	Canada	Canadian Accounting Standards Board
Harry Klompas	Canada	NSS Secretariat
Peter Martin	Canada	Canadian Accounting Standards Board
Tricia O'Malley	Canada	NSS Chairman
Françoise Flores	EFRAG	European Financial Reporting Advisory Group
Mario Abela	EFRAG	European Financial Reporting Advisory Group
Gerard Gil	France	French Accounting Standards Authority
Jérôme Haas	France	French Accounting Standards Authority
Isabelle Grauer-Gaynor	France	French Accounting Standards Authority
Philippe Bui	France	French Accounting Standards Authority
Andreas Barckow (Dr)	Germany	Accounting Standards Committee of Germany
Liesel Knorr	Germany	Accounting Standards Committee of Germany
Iwona Nowicka (Dr)	Germany	Accounting Standards Committee of Germany
Steve Ong	Hong Kong	Hong Kong Institute of Certified Public Accountants
Clement Chan	Hong Kong	Financial Reporting Standards Committee
Hans Hoogervorst	IASB	IASB
Pat Finnegan	IASB	IASB
Stephen Cooper	IASB	IASB
Alan Teixeira	IASB	IASB
Wayne Upton	IASB	IASB
Paul Cherry	IFRS Advisory Committee	IFRS Advisory Committee
Manoj Fadnis	India	Institute of Chartered Accountants of India
Sakaran Santhanakrishnan	India	Institute of Chartered Accountants of India
Alberto Giussani	Italy	Italian Standard Setter
Tommaso Fabi	Italy	Italian Standard Setter
Ikuo Nishikawa,	Japan	Accounting Standards Board of Japan
Atsushi (Atsu) Kato	Japan	Accounting Standards Board of Japan
Suk-Sig (Steve) Lim	Korea	Korean Accounting Standards Board
Jae-Ho Kim	Korea	Korean Accounting Standards Board
Walid Abboud	Lebanon	Lebanese Assn. of Certified Public Accountants
Assaad Mhanna	Lebanon	Lebanese Assn. of Certified Public

		Accountants
Tan Bee Leng	Malaysia	Malaysian Accounting Standards Board
Felipe Perez Cervantes	Mexico	Mexican Financial Reporting Standards Board (CINIF – Mexico)
Juan Mauricio Gras Gas	Mexico	Mexican Financial Reporting Standards Board (CINIF – Mexico)
Hans de Munnik	Netherlands	Dutch Accounting Standards Board
Patricia McBride	New Zealand	New Zealand Accounting Standards Board
Michele Embling	New Zealand	New Zealand Accounting Standards Board
Kvaal Erlend (Dr)	Norway	Norwegian Accounting Standards Board
Didrik Thrane-Nielsen	Norway	Norwegian Accounting Standards Board
H. M. Yousaf	Pakistan	Institute of Chartered Accountants of Pakistan
Dr. Oussama Tabbara	Saudi Arabia	Arab Society of Certified Accountants
Chia Chia Chionh	Singapore	Singapore Accounting Standards Council
Suat Cheng Goh (Ms)	Singapore	Singapore Accounting Standards Council
Sue Ludolph	South Africa	South African Institute of Chartered Accountants
Alexandra Watson	South Africa	South African Institute of Chartered Accountants
Isabel Serantes	Spain	Institute of Accounting and Account Auditing (ICAC)
Zein Ahmed	Sudan	Sudanese Association of Certified Accountants
Carl-Eric Bohlin	Sweden	Swedish Financial Reporting Board
Philipp Leu	Switzerland	Swiss GAAP FER
Conrad Chungyueh Chang	Taiwan	Financial Accounting Standards Committee
Thomas Linsmeier	U.S.	FASB
Leslie Seidman	U.S.	FASB
Andrew Lennard (one as observer)	UK	Accounting Standards Board
Roger Marshall	UK	Accounting Standards Board
David Loweth	UK	Accounting Standards Board