

#### 4. 記念式典スピーチ

## Perspectives on the move towards global accounting standards

IFRS 財団モニタリング・ボード暫定議長

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Michel, Hans, and, distinguished guests,

I am Masamichi Kono, Vice Commissioner for International Affairs of the Financial Services Agency of Japan. In my capacity as Acting Chair of the IFRS Foundation Monitoring Board, it is my great honor and pleasure to welcome you all today to this commemorative opening ceremony of the IFRS Foundation Asia-Oceania Office.

Today, I would like to raise a couple of perspectives which I think would be fundamentally important in working towards the use of a single set of high-quality global accounting standards around the world, including the Asia-Oceania.

Needless to say, global capital markets have become even more interconnected and integrated, despite the enduring financial crisis in Europe. Investors are in need of investment opportunities supported by open, sound and transparent capital markets. Firms are in need of alternative means of funding for growth and investment, both domestically and internationally, while the banking system remains paralyzed in many countries.

In such a difficult environment, investors and issuers will both benefit enormously from globally consistent and comparable financial statements, which could only be based upon accounting standards which ensure such consistency and comparability.

Thus, there can be no turning back in our collective endeavor to develop a single set of high quality accounting standards as a common measurement tool for the financial conditions of firms in this globalized world, however difficult and bumpy the road may be. To put it differently, if global capital markets are to exist, they must be supported by a set of truly global accounting standards which are yet to come.

In recognition of this stark reality, it is extremely important for the International Accounting Standards Board (IASB) to fulfill its primary mission, i.e., to develop truly high-quality, easily-understandable, appropriately-enforceable and, last but not least, globally-accepted financial reporting standards.

The IFRS Foundation stresses the importance of this mission, which is highlighted in the Strategy Review Report of the IFRS Founda-

tion Trustees. The IASB Board Members, the Trustees, and the Monitoring Board should all work together to progressively and steadily achieve this ultimate goal.

We should, however, note at the same time that merely striving to develop a single set of high-quality global accounting standards does not enable us to fulfill our mission. When these standards are implemented, they should be able to meet different conditions and the needs of the stakeholders in a wide variety of legal systems, business environments, and market conditions in this diversified world. In other words, there could be no simple one-size-fits-all answer to all of the relevant questions. Rather, those global standards would need to be principles-based and inclusive, for perfectly understandable reasons.

Also, we should keep in mind that the accounting standard-setter, which is tasked to develop the set of high-quality global accounting standards, needs to be placed under a proper and functioning governance structure. Proper governance for an accounting standard-setter will be achieved only through enhancing its accountability while ensuring its independence. It will also need to be inclusive, i.e. be able to meet the diverse needs of all the stakeholders involved around the world.

How can we improve governance at the accounting standard-setter? How can we make it more inclusive, to be able to cater to the needs of a changing world, and be accountable to a more diversified set of stakeholders in this globalized world? Those were the

questions we tried to answer when we conducted the Monitoring board's Governance Review this year. Now we have to go down the extra mile to complete that exercise in the nearest possible future.

Inclusiveness can be achieved through enabling various stakeholders to become more engaged, more deeply involved, more proactive in the standard-setting process. They must be able to express their opinions directly towards the IASB, the IFRS Foundation Trustees, and the Monitoring Board. Those bodies can make sound and robust decisions only after having heard such opinions through a fair and transparent process. Due processes of Plan-Do-Check-Action must be followed in both the standard-setting and implementation phases. Each stakeholder, after having expressed his or her views, should be entitled to receive proper feedback from these entities upon decision-making by those bodies.

If we look around the world, IFRSs are used in over 100 countries. Of those countries, 25 are represented at the Asian-Oceania Standard-Setters Group (AOSSG), the regional group of accounting standard-setters. I believe that Asia-Oceania, being the most populated and fast-growing region in the world, will be the largest potential users of IFRSs in the years to come. Countries in Asia-Oceania, with their diversified economic and cultural backgrounds, are capable of making even greater contributions to the future development of IFRSs.

Therefore, I must reiterate that it is truly sig-

nificant that the IFRS Foundation Asia-Oceania Office, the first satellite office abroad for the IFRS Foundation, has opened today in the region. I expect that this office will function as an important nerve center for the IFRS Foundation to listen to and provide feedback to the increasingly wide range of stakeholders in the region.

Let me conclude my remarks by congratulating all of you who have made this opening of the IFRS Foundation Asia-Oceania Office possible. I truly hope that IFRSs will become more accessible, more user-friendly, and more inclusive. If we do a good job, the goal of having a single set of high-quality global accounting standards, accompanied by consistent and inclusive implementation of those standards, will be achieved in the reasonably near future, with overwhelming support from global stakeholders.

Thank you.