IOSCO stresses importance of implementation and disclosure related to new accounting standards

The Board of the International Organization of Securities Commissions (IOSCO) published today a Statement on Implementation of New Accounting Standards related to revenue, financial instruments, and leases.

The three new International Financial Reporting (IFRS) Standards, issued by the International Accounting Standards Board, are expected to significantly affect the financial statements of many issuers globally, given the breadth of their applicability.

The Statement highlights the importance of the implementation process by issuers and their audit committees, and the full, accurate and timely disclosures of the possible impacts of adopting the new standards. The Statement also provides a series of matters for issuers, as well as their audit committees and auditors, to consider as issuers adopt the new standards and auditors perform related audit procedures.

Both the IOSCO Objectives and Principles of Securities Regulation and the IFRS Standards indicate the need for transparent disclosure by issuers regarding the possible impact that the application of new standards will have on the issuer’s financial statements. IOSCO considers the accuracy, integrity, and comparability of issuer disclosure to be essential for maintaining investor confidence and therefore facilitating a stable international financial system.

IFRS Standards require disclosure in the notes of the financial statements of known or reasonably estimable information regarding this possible impact, prior to the effective date of the new standards.
Subject to jurisdictional decisions regarding either adoption or effective dates, IFRS 15, *Revenue from Contracts with Customers*, and IFRS 9, *Financial Instruments*, are effective for annual periods beginning on or after 1 January 2018, while IFRS 16, *Leases*, is effective for annual periods beginning on or after 1 January 2019.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.

2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO), and is made up of 34 securities regulators. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Malaysia, Mexico, Nigeria, Ontario, Pakistan, Peru, Quebec, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, the Netherlands, Turkey, the United Kingdom, and the United States of America.

3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members’ views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee’s strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.

4. IOSCO aims through its permanent structures:
   - to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
   - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
   - to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.
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