International Financial Reporting Standards are still on their path towards becoming the set of global accounting standards. This journey has lasted longer than most travels but it is probably also more exciting. Indeed it began back in 2001, when the International Accounting Standards Board, was first established. Back then, very few countries required or allowed the use of IFRS.

Fast forward one and a half decades and the situation is very different. So far, 116 countries require IFRS for all or most listed companies. Several others permit IFRS and some are in the process of adopting or converging their standards. This means that the same accounting language is spoken almost all over the world – in line with our vision of one set of high-quality, enforceable, global standards. Achieving that vision takes global leadership. The Hong Kong Institute of CPAs demonstrated that kind of leadership when Hong Kong moved to IFRS reporting a decade ago.

We are nearing our destination and that is why I thought the time was right to take a new look at where we are for the benefit of A Plus readers. Our recently issued mission statement says that we are here to develop standards that bring transparency, accountability and efficiency to financial markets around the world.

Take the forthcoming lease accounting standard as an example; it will bring transparency by putting leases onto the balance sheet in clear view of investors. That, in turn, will give investors a better chance of holding management to account – they will be better informed and can therefore allocate money more efficiently.

In addition to developing standards and pursuing further adoption, we are also working to support their consistent application and implementation.

However, we cannot do this on our own. We have a lot of help from stakeholders around the world; the Hong Kong Institute of CPAs has always been an active contributor in the development of IFRS both directly and through the Asian Oceanian Standard-Setters Group.

That input and support help us reach important milestones on our journey. Last year’s milestones were the completion of two major standards projects: IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The next waypoint on the horizon – in addition to the new leases standard – is the new insurance contracts standard.

We have also just published a revised Conceptual Framework for consultation. While not a standard, it will form the foundations on which the IASB will build future standards. For example, it touches on some of the most-debated topics in accounting; what are the strengths and weaknesses of historic cost and fair value, and when should each be used? I invite the Institute in Hong Kong and its members to think about these proposals and offer us feedback. After all, we cannot do this work on our own – collaboration is key.

I visit Hong Kong every year and look forward to coming back to your vibrant city for the joint IFRS Foundation and Hong Kong Institute of CPAs conference in October. I hope to hear your thoughts on all these topics as well as your views on what the IASB should be focusing on during the next leg of our journey.

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