

International Accounting Standards Board:

# Latest developments and future focus

Hans Hoogervorst, Chairman

Nairobi, August 2016

The views expressed in this presentation are those of the presenter,  
not necessarily those of the International Accounting Standards Board (the Board)  
or IFRS Foundation.

Copyright © IFRS Foundation. All rights reserved

# IFRS Standards – why do they matter?

2



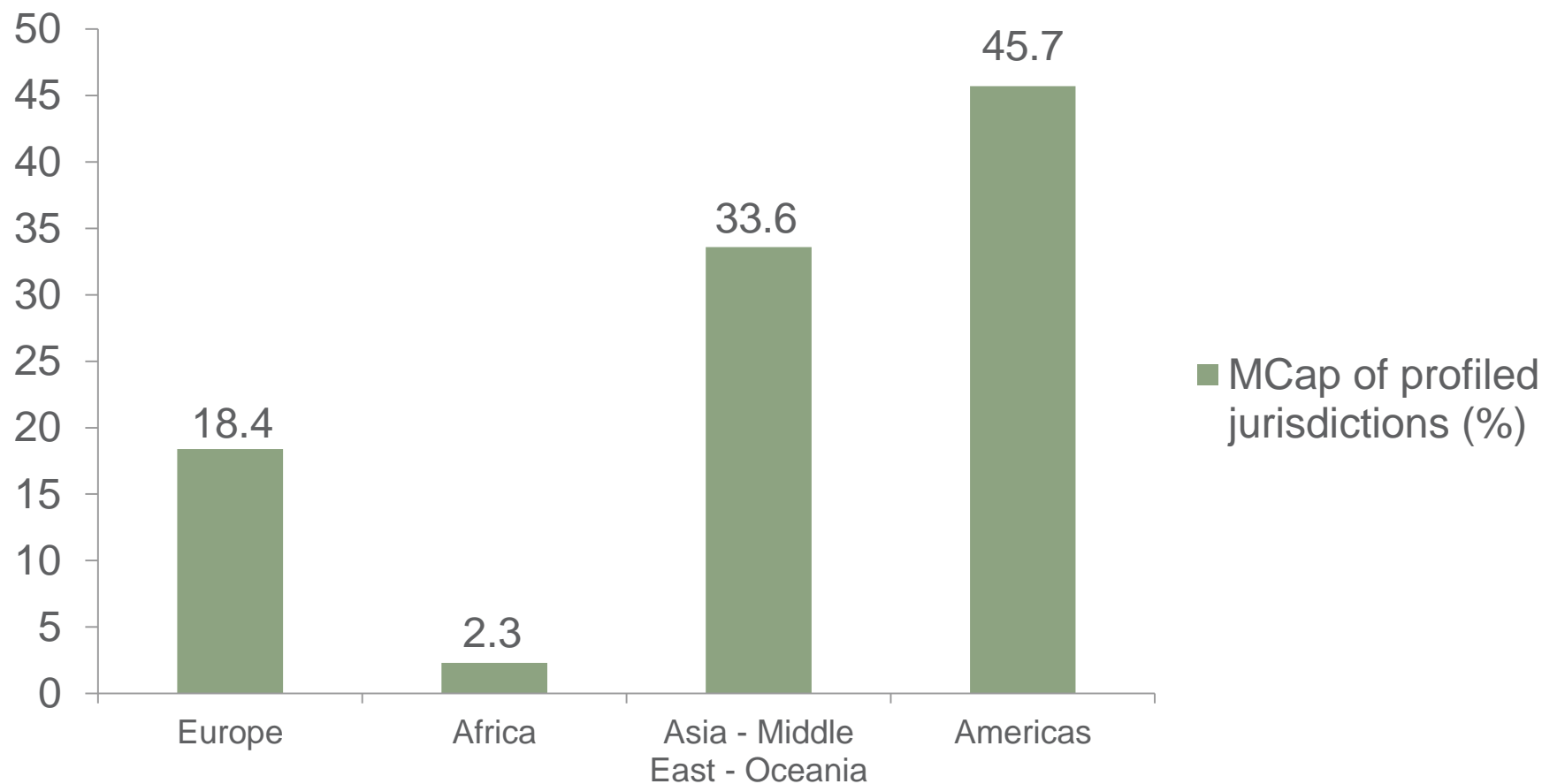
To develop IFRS Standards that bring **transparency, accountability** and **efficiency** to financial markets around the world.

Our work serves the public interest by fostering **trust, growth** and **long-term financial stability** in the global economy.

# Market capitalisation

4

## Market cap as % of total profiled world



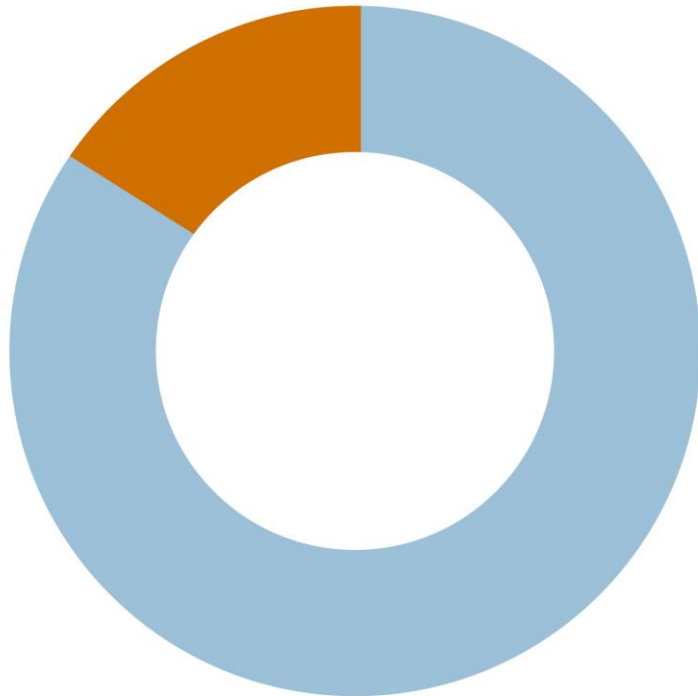
# IFRS Standards in Kenya

5

- Kenya is making efforts to strengthen the economy by **increasing the attractiveness of capital markets**.
- Cross-border investment can help to develop Nairobi as an **international finance centre** and the **gateway to Africa's capital markets**.
- The use of IFRS Standards is helping to attract **international investors** to the region, as well as strengthening economic and financial stability.

# Adoption around the world

6



## 83%

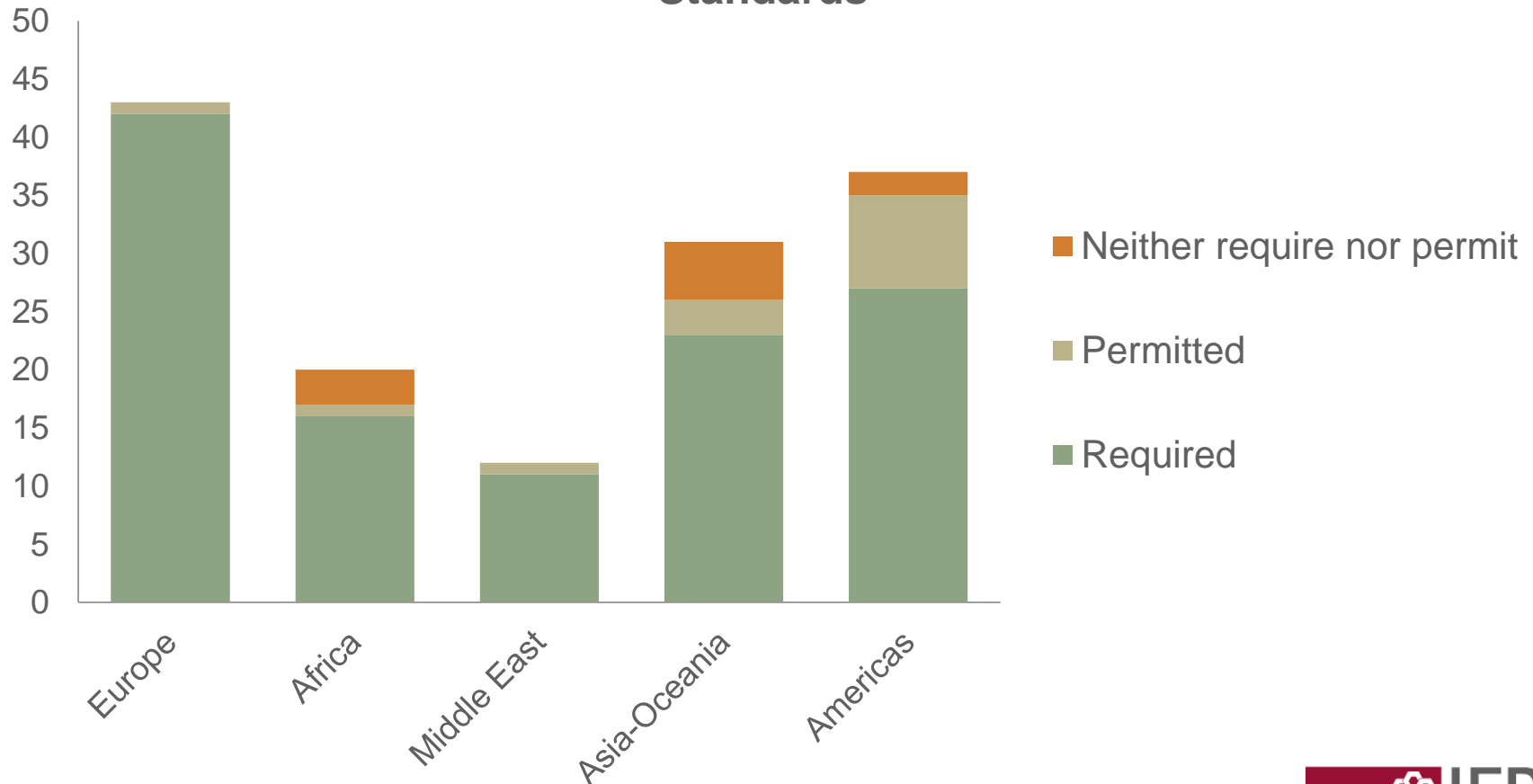
**119 of 143** jurisdictions require the use of IFRS Standards for all or most publicly accountable companies.

Most of the remaining jurisdictions permit their use.

# Adoption around the world

7

Number of jurisdictions that require or permit IFRS Standards



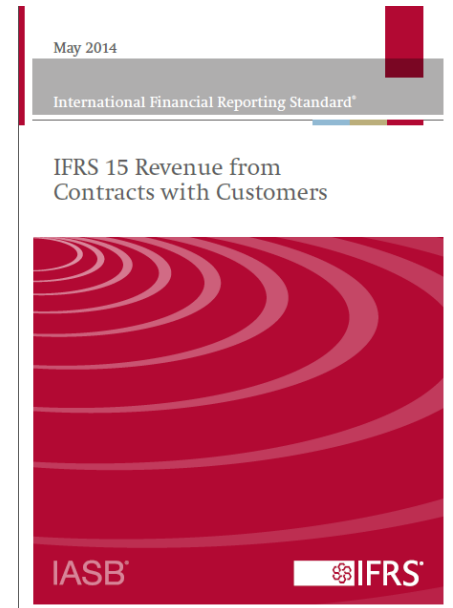
- **Classification and measurement**
  - A logical, single classification approach for financial assets driven by cash flow characteristics and business model
  - Improvements to own credit
- **Impairment**
  - Strongly supported forward-looking 'expected loss' model
  - Represents a significant change in accounting



# Revenue

9

- Establishes a **single, comprehensive framework** for recognising revenue from contracts with customers
- Provides **clearer guidance** on recognising revenue than was previously available
- Means that revenue reporting will be **consistent** across transactions, industries and capital markets
- Improves **comparability** in the 'top line' of financial statements



- IASB listened to **concerns raised by emerging economies**
  - **Before:** biological bearer assets measured at **fair value**, fluctuations included in P&L
  - **After:** treated like property, plant and equipment; **measured at cost**
- **Result:** less costly to apply, reduces artificial volatility in income statement

# Future priorities

Focussing our efforts on **increasing the communications effectiveness** of financial statements.

Taking a fresh look at:

- how financial information is **presented**;
- how it is **grouped together**; and
- in what **form** it is made available.



# Contact us

14

## Keep up to date



@IFRSFoundation



IFRS-Foundation, IASB



[go.ifrs.org/email-alerts](https://go.ifrs.org/email-alerts)



IFRS Foundation

## Comment on our work



[go.ifrs.org/comment](https://go.ifrs.org/comment)

## Join the organisation, and help shape the future of financial reporting



[go.ifrs.org/careers](https://go.ifrs.org/careers)