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US Sees WTO Ministerial Talks Key to Doha Success

The United States expects a world trade ministerial meeting in India this week to be an "important step" in efforts to conclude the Doha free trade accord, President Barack Obama's top trade envoy said.

The two-day informal talks beginning Thursday in New Delhi will be attended by World Trade Organization (WTO) Director General Pascal Lamy and ministers from rich and emerging nations with sharp differences on issues such as farm subsidies and tariffs on industrial products.

"I think this ministerial... can be a very important step for our goal for the successful completion of the Doha round of negotiations," US Trade Representative Ron Kirk told reporters before leaving Tuesday for the meeting.

"We all jointly share a common objective and belief that completion of the Doha round can be a key element to helping the world recover from this current economic crisis," Kirk said.

He added that the talks provided a critical "window" between now and the WTO ministerial meeting later this year in Geneva, giving countries "the clarity needed to understand the opportunities for meaningful market access (and) allow Doha to come to successful conclusion."

The talks are also seen as critical as they come ahead of a meeting of leaders of the Group of 20 developed and emerging nations in the US city of Pittsburgh on September 24-25.

India's new trade negotiator, Commerce Minister Anand Sharma, has said he wants a deal, but his ministry sought to manage expectations about the meeting's outcome.

"This is not going to be a negotiating forum," Commerce Secretary Rahul Khullar, the top civil servant in India's commerce ministry, told reporters last week. "We are looking for a commitment to re-engage on Doha."

The Doha round of talks began in 2001 with the aim of boosting global commerce to help developing countries, but deadlock between the major trading blocs has dashed repeated attempts to forge a new pact.

The last push in July last year in Geneva ended in failure, but with new governments installed in Washington and the host nation India, there is renewed hope for another drive for success sometime next year.

"I think what may make this different is that with the change in the administration -- in the United States and in India certainly, in South Africa, in other countries -- you have a new cast of countries with new leadership that have... desire to try to make this happen," Kirk said.

The WTO talks involve the 153 nations of the world trade body who must all agree to a pact that would radically reduce the value of subsidies given to farmers while reducing tariffs and other trade barriers.

President Obama has joined other world leaders in calling for a successful conclusion of the Doha talks, but analysts say he faces pressure from domestic industry groups who are likely to seek protection.

Since he came to office in January, Obama has avoided any showdown with labor groups who have wide influence in his Democratic Party and who are generally sceptical about free-trade agreements.

Ahead of the G20 summit, Obama will elaborate on his administration's trade policy -- how he "sees trade as (an) integral part our overall economic strategy," Kirk said.

Although Obama had already laid a broad framework for US trade policy to Congress, "I do think the president will have more to say about the role trade will play in our overall economic recovery sometime between now and the G20 summit," Kirk added.

A key test of Obama's trade policy or any protectionist tendencies under his administration will be a decision he has to make this month on a union-led plan to slap punitive duties on tire imports from China to save jobs at home.

Obama is required to make the decision just ahead of hosting Chinese President Hu Jintao at the G20 summit.

http://www.channelnewsasia.com/stories/afp_asiapacific_business/view/1002316/1/.html

Singapore Tax Cooperation Agreements

Singapore has signed agreements for the avoidance of double taxation (DTA) with The Netherlands, Denmark, the United Kingdom and China.

The signing of the protocol confirms Singapore's stance on enhancing tax cooperation with all the countries involved and freeing the exchange of information on tax matters.

The DTA amendment will come into effect after ratification procedures have been completed by all countries.

http://www.cpaaustralia.com.au/cps/rde/xchg/SID-3F57FECB-F5C9887B/cpa/hs.xsl/1017_32582_ENA_HTML.htm

Trade Ministers Meet with 2010 Doha Deal in Sights

Trade ministers met in New Delhi on Thursday for talks that WTO chief Pascal Lamy said could lay the groundwork for a final push to reach a new global free-trade pact next year.

"The WTO ministers will have the opportunity to map out how they intend to bring the Doha round to a close in 2010," World Trade Organization director general Lamy told reporters.

"The meeting can be the real beginning of the end-game of the round," he added.

The two days of informal ministerial level talks are also seen as preparation for further progress at a meeting of leaders of the Group of 20 wealthy and emerging nations in Pittsburgh later this month.

"We are in the end-game of Doha negotiations," Australia's Trade Minister Simon Crean declared on the eve of the talks to be attended by key World Trade Organization players including the European Union, the United States and China.

India's differences with the US over subsidy protection for poor farmers contributed to the collapse in July 2008 of the long-running Doha Development Round, which is aimed at lifting millions out of poverty and boosting the global economy.

Now India has grabbed the initiative to "re-energise" the stalled negotiations and take the opportunity shed its reputation as a "spoiler" of the round.

Top industrial nations and five emerging economies, including India and China, agreed in July to conclude a deal by the end of 2010.

India's new Trade Minister Anand Sharma, regarded by observers as more conciliatory than his predecessor Kamal Nath, says New Delhi is keen for a successful conclusion of the negotiations, which began in 2001.

But, like his predecessor, Sharma has also insisted there can be no compromise on the round's development thrust and said New Delhi wants to "ensure historic distortions are corrected" to improve the lives of the poor.

Farmers and leftist groups said they would stage a protest at the meeting, which will focus on ways to close gaps on liberalising trade in agricultural and manufactured goods.

Doha "demands so much from us while giving nothing in return," said Yudhvir Singh, spokesman for the Indian Committee of Farmers Movements representing 13 states.

Meanwhile, Indian officials have played down the chances of any breakthrough, saying talks would focus on crafting a game plan for negotiators to reach a deal.

"This is not going to be a negotiating forum," Commerce Secretary Rahul Khullar, the top civil servant in India's trade ministry said prior to the talks. "This is going to be about the process of negotiation -- how we do a deal."

In order for a final deal to be reached, all 153 WTO members must agree to a pact that would radically reduce subsidies given to North American and European farmers while lowering other trade barriers.

Deadlock between the major trading blocs has dashed repeated attempts to reach agreement but with new governments in Washington and India, there is renewed hope for success.

The talks should provide "the clarity needed to understand the opportunities for meaningful market access" and pave the way for a successful Doha conclusion, US Trade Representative Ron Kirk said before leaving for New Delhi.

US President Barack Obama has said he wants a Doha deal, but analysts say he faces pressure from domestic industry groups, which want protection.

http://www.channelnewsasia.com/stories/afp_asiapacific_business/view/1002651/1/.html

IFAC and International Valuation Standards Council to Collaborate on Improving Global Valuation Consistency

The International Federation of Accountants (IFAC) and the International Valuation Standards Council (IVSC) have signed a Memorandum of Understanding designed to enhance their respective impact on issues surrounding valuations-particularly those related to improving the consistency of global valuation standards affecting the preparation and audits of financial reports.

Michel Prada, Chairman of the Board of Trustees for the IVSC, states, "Valuation standards, coupled with clear accounting and auditing principles, are key to the efficiency of the global market economy. This Memorandum of Understanding demonstrates the cohesive and united approach of the IVSC, IFAC, and International Auditing and Assurance Standards Board (IAASB) to maintaining standards as global markets continue to develop."

"The current economic crisis has highlighted the challenges associated with the valuation of assets and liabilities by both preparers and auditors," says Bob Bunting, President of IFAC. "I am delighted that our two organizations will seek ways in which we can work together in serving the public interest. As a first step, I am encouraged that the IVSC will appoint a representative to serve on the consultative advisory group of the IAASB, which works to strengthen public confidence in the auditing profession by establishing high-quality, global auditing, assurance, quality control, and related services. I look forward to developing other areas of collaboration with the IVSC in the coming months."

<http://www.ifac.org/MediaCenter/?q=node/view/664>

IASB Trustees Publish Proposals Aimed at Enhanced Accountability and Stakeholder Outreach

The Trustees of the International Accounting Standards Committee Foundation (IASC Foundation), the oversight body of the International Accounting Standards Board (IASB), today published for public comment proposals that form the second part of a two-part review of the IASC Foundation Constitution.

The proposals build on governance enhancements implemented as a result of the first five-yearly Constitution Review, completed in 2005. They follow the recent establishment of a public accountability link to a Monitoring Board of capital market authorities as a result of the first part of this review.

The objectives of the proposals are to enhance further the governance of the organisation, improve the involvement of stakeholders with a broad range of perspectives in both developed and emerging markets, and make operational improvements. The key proposals seek to:

- **Enhance the IASB agenda-setting processes:** The Trustees propose an amendment aimed at enhanced consultation on the standard-setting agenda with the Trustees and the Standards Advisory Council, with a possibility for others to comment.
- **Expand the IASB's liaison with other organisations:** The Trustees call for greater flexibility in Constitutional language to emphasise the desirability of expanded liaison, not only with

accounting standard-setters, but with other official organisations with an interest in the standard-setting process. For example, with the support of the Monitoring Board and the Trustees, the IASB recently established an enhanced technical dialogue with prudential supervisors and other stakeholders.

- **Establish a procedure for the possibility of an accelerated due process:** The Trustees believe that there should always be some form of public consultation. At the same time, the present provisions allowing a 30-day accelerated process are generally sufficient. However, in exceptional circumstances, the Trustees could allow a shorter period of consultation. These exceptional occasions would be when major unforeseen developments arise.
- **Provide further geographical balance among the Trustees:** Responding to requests from commentators, the Trustees have recognised the need to take account of Africa and South America in their composition as had been done for the IASB.
- **Change the name of the organisation to the IFRS Foundation to provide clarity regarding the Foundation's mission:** In response to feedback that the names currently in use often lead to confusion, the Trustees propose changing the name of the organisation to the International Financial Reporting Standards (IFRS) Foundation. For consistency, the Trustees also propose mirroring this change of name by renaming the IASB as the IFRS Board.

Commenting on the publication of the consultation document, Gerrit Zalm, Chairman of the Trustees of the IASC Foundation, said:

Responding to feedback from the G20 and others, Trustees have already made significant enhancements to the governance and public accountability of the IASC Foundation within the first part of the Constitutional Review. The Monitoring Board is established and has met with Trustees on several occasions.

We now turn our attention to other areas that we have been asked to consider by interested parties. The proposals seek to provide further enhancements, and I look forward to hearing views through the consultation exercise and the upcoming round-table discussions.

The consultation document Constitution Review - *Proposals for enhanced public accountability* can be viewed on the Open for Comment section on the IASC Foundation website (www.iasb.org). The closing date for comments is 30 November 2009.

<http://www.iasb.org/News/Press+Releases/Trustees+publish+proposals+aimed+at+enhanced+accountability+and+stakeholder+outreach.htm>

IASB Reassures G-20 on Loan Accounting Standards

The group overseeing the International Accounting Standards Board has written to President Obama and the other G-20 leaders saying it is following the G-20 recommendations for dealing with fair value accounting for loans, after banking interests charged that it was not.

The letter follows on the heels of a letter by the American Bankers Association to Treasury Secretary Timothy Geithner and Federal Reserve Chairman Ben Bernanke asking them to raise the issue at the Group of 20 meeting next week in Pittsburgh and curb efforts by the IASB and the U.S. Financial Accounting Standards Board to extend mark-to-market accounting to loans and debt securities, claiming that such a move would flout the recommendations of the G-20.

The letter from Gerrit Zalm, chairman of the board of trustees of the International Accounting Standards Committee Foundation, defends the work of the IASB. He described how the trustees are stressing the urgency of revising the accounting standards for financial instruments, IAS 39.

“In making their proposals and in order to provide transparency and reflect economic reality, the IASB’s emphasis has been to define in a balanced and transparent way the appropriate criteria for classifying instruments to be measured at cost and fair value — not to increase or decrease arbitrarily the use of fair value,” he wrote. “Whether there is a decrease or an increase of fair value will depend on a particular institution’s business model and holdings. The IASB is not proposing that the loan book of banks will be held at fair value. Complementing the review of fair value accounting for financial instruments, the IASB is improving the accounting for loan-loss provisions, another area cited by the G-20.”

Zalm noted that the IASB is working closely with regulators, financial institutions, investors and others to develop more forward-looking measures, such as an expected-loss model, rather than the incurred-loss model currently in place in International Financial Reporting Standards and U.S. GAAP. The IASB has already issued a discussion document on provisions and will release a final proposal in the fourth quarter, he added.

The letter is addressed to President Obama as host of the G-20 meeting and asks the meeting secretariat to distribute it to the other world leaders participating at the summit. In response to the G-20 leaders’ call for convergence toward a single set of high-quality, global, independent accounting standards on financial instruments, loan-loss provisioning, off-balance-sheet exposures, and the impairment and valuation of financial assets, Zalm noted that the IASB is working closely with FASB on convergence between IFRS and U.S. GAAP.

Zalm also provided an update on the governance of the IASB, noting that there is now a “public accountability link” to a monitoring board of financial market regulators. He added that the trustees have published proposals for further improvements in the governance and public accountability of the organization, and they are holding a series of public roundtables in London, New York and Tokyo.

<http://www.webcpa.com/news/IASB-Reassures-G-20-Loan-Accounting-Standards-51725-1.html>

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