Addressing Key Accounting Challenges

(Joint project: AASB-MASB-CPA Australia)

EEG meeting

May 2025

Australian Government — Australian Accounting Standards Board

CPA AUSTRALIA

FRF FINANCIAL REPORTING FOUNDATION
YAYASAN LAPORAN KEWANGAN

MASB
MALAYSIAN ACCOUNTING STANDARDS BOARD
LEMBAGA PIAWAIAN PERAKAUNAN MALAYSIA

Survey

Purpose

Input to IASB's agenda consultation
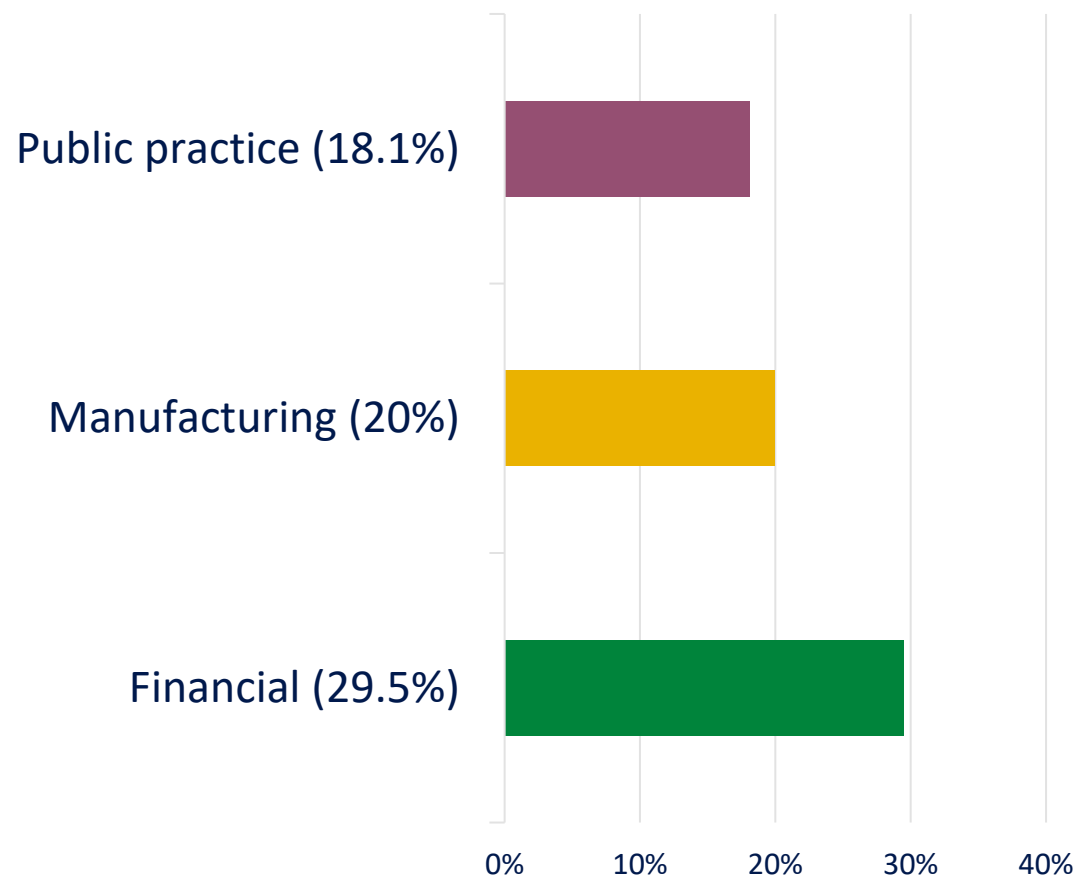
Gather preliminary views

Identify priorities

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Respondents

Responses	169
Incomplete	(64)
Total (average time: 8 min)	**105**
Organisations	32
Individuals	73

Preparers	44.8%
Advisors	23.8%
Academics	6.7%

Auditors	25.7%
Users	20%
Regulators	4.8%

Demographic

Industries

- Public practice (18.1%)
- Manufacturing (20%)
- Financial (29.5%)

(bar chart x-axis: 0%, 10%, 20%, 30%, 40%)

Jurisdictions

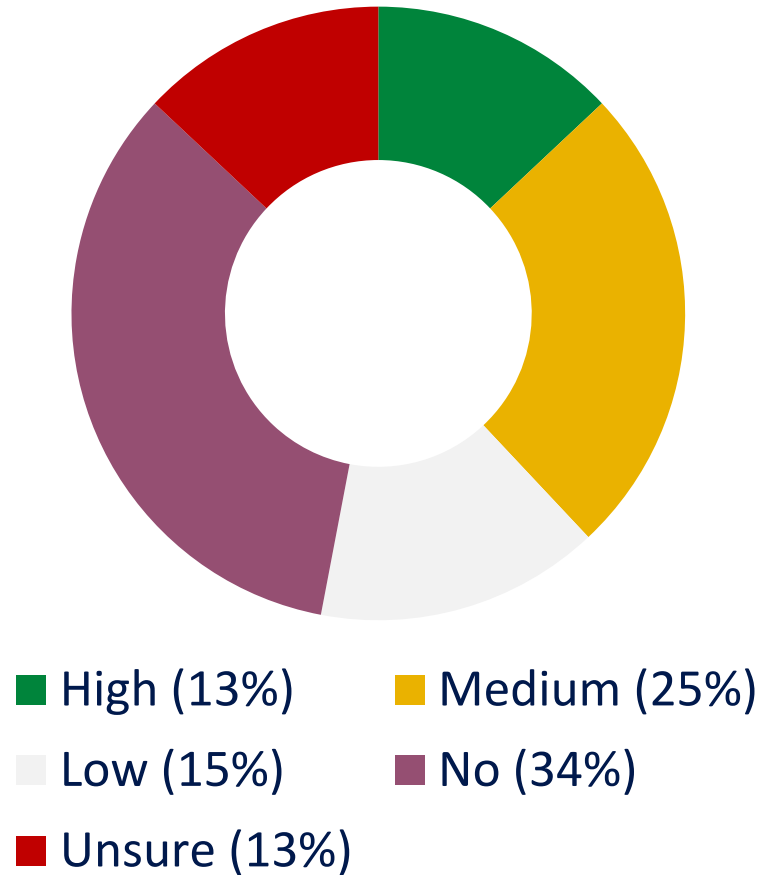| Malaysia | 51.4% |
| Australia | 35.2% |

Others

- Brazil
- China
- Hong Kong SAR
- India
- Japan
- Korea
- New Zealand
- Singapore
- Sri Lanka
- United Kingdom
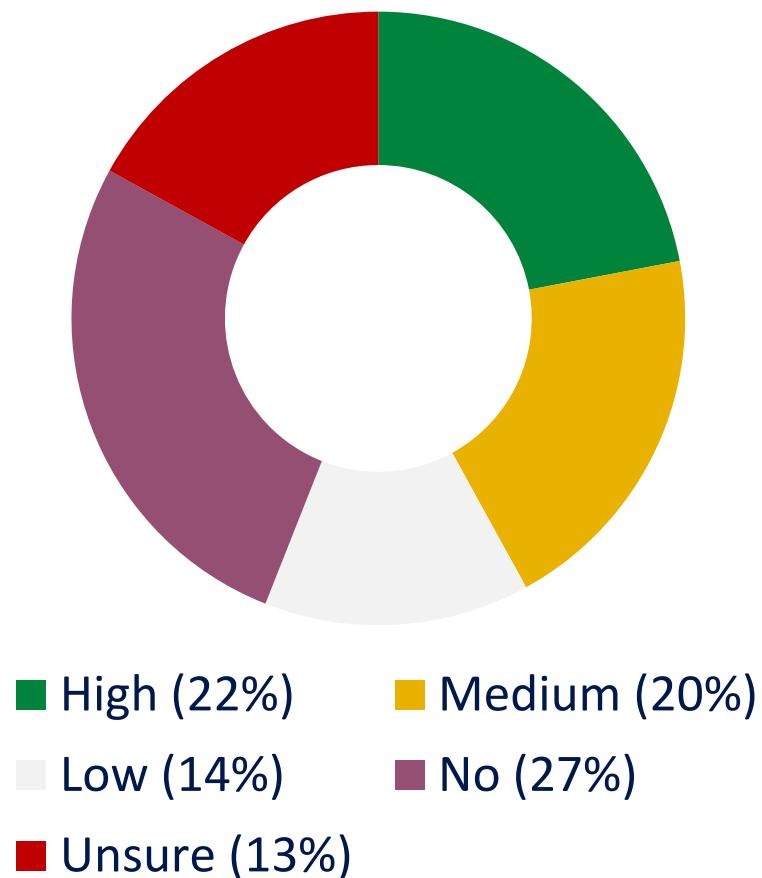- United States

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Reserve List

Operating Segments

Priorities
(104 responses)

High (13%)   Medium (25%)

Low (15%)   No (34%)

Unsure (13%)

- Need granular data

- Consider connectivity

- Clearer guidance

Pollutant Pricing Mechanisms

Priorities
(102 responses)

- High (22%)
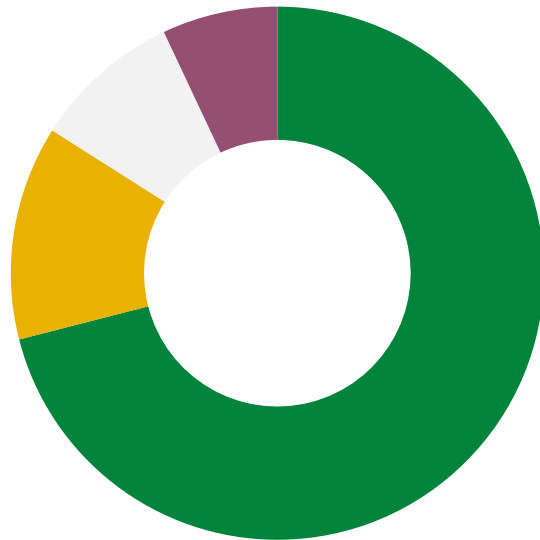- Medium (20%)
- Low (14%)
- No (27%)
- Unsure (13%)

- Urgency and importance

- Need guidance

- Future relevance

However:

- Clarity of PPM schemes

- Existing standards may be adequate

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Pollutant Pricing Mechanisms (Mandatory vs Voluntary)

Priorities
(56 responses)

- Both (71%)
- Mandatory only (13%)
- Voluntary only (9%)
- Unsure (7%)

- Evolving markets

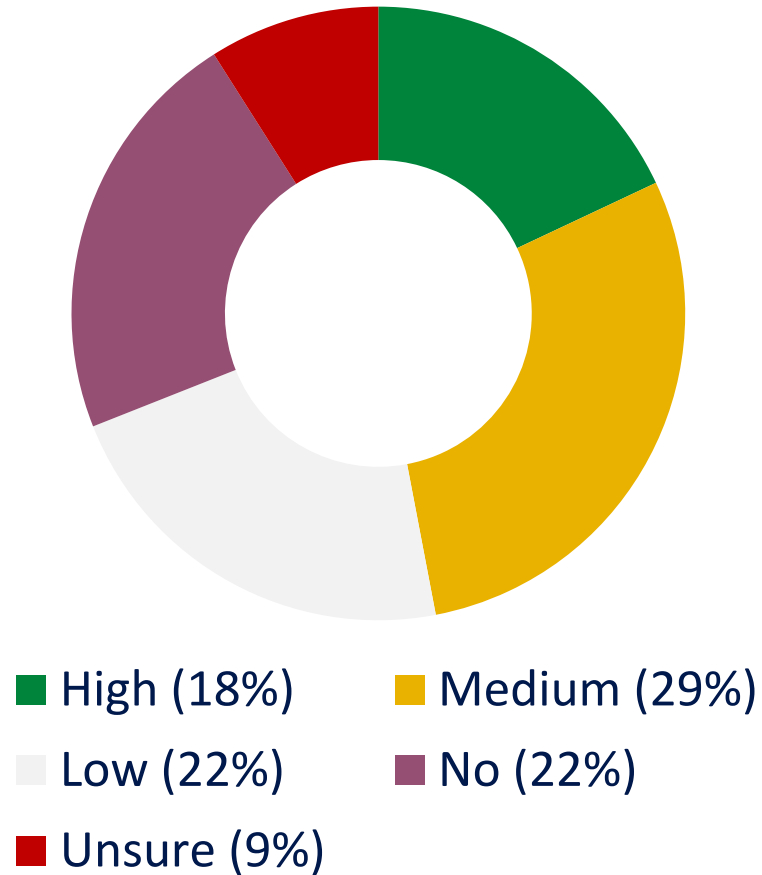- Single comprehensive approach

- Further research

Potential Projects to Be Added to the IASB's Work Plan

Cryptocurrencies and Related Transactions

Priorities

(78 responses)

■ High (18%)   ■ Medium (29%)

■ Low (22%)   ■ No (22%)

■ Unsure (9%)

- Growth of cryptocurrencies

- Classification

However:

- Mixed views on urgency

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Going Concern Disclosures

Priorities
(78 responses)

Legend:
- High (28%)
- Medium (31%)
- Low (11%)
- No (22%)
- Unsure (8%)
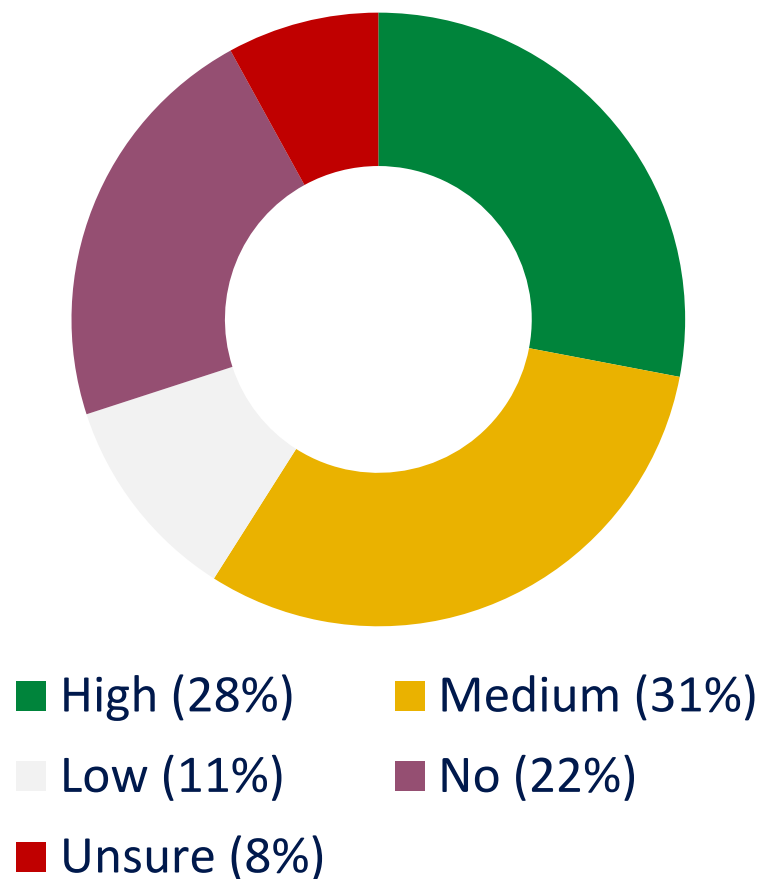
- Increased relevance

- Need for clarity and consistency

- Auditor vs. preparer responsibility

- More guidance

However:

- Some noted current IFRS Standards are adequate

Other Projects

80 responses

Category	Responses
Discount Rates	26
Variable and Contingent Consideration	23
Government Grants	20
Interim Financial Reporting	17
Other Comprehensive Income	16
Discontinued Operations and Disposal Groups	16
Employee Benefits	15
Inflation	14
Separate Financial Statements	14
Foreign Currencies	14
Income Taxes	13
Borrowing Costs	10
Expenses—Inventory and Cost of Sales	9
Commodity Transactions	8
Negative Interest Rates	4

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Connectivity

Connectivity

- Integrating ESG factors

- Financial and sustainability reporting connectivity

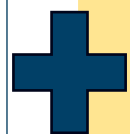- Practical challenges

- Climate risk focus

- Other areas

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IFRS 8 *Operating Segments*

Research Objectives

How and to what extent is segment-related information being presented in the notes to the financial statements of listed entities?
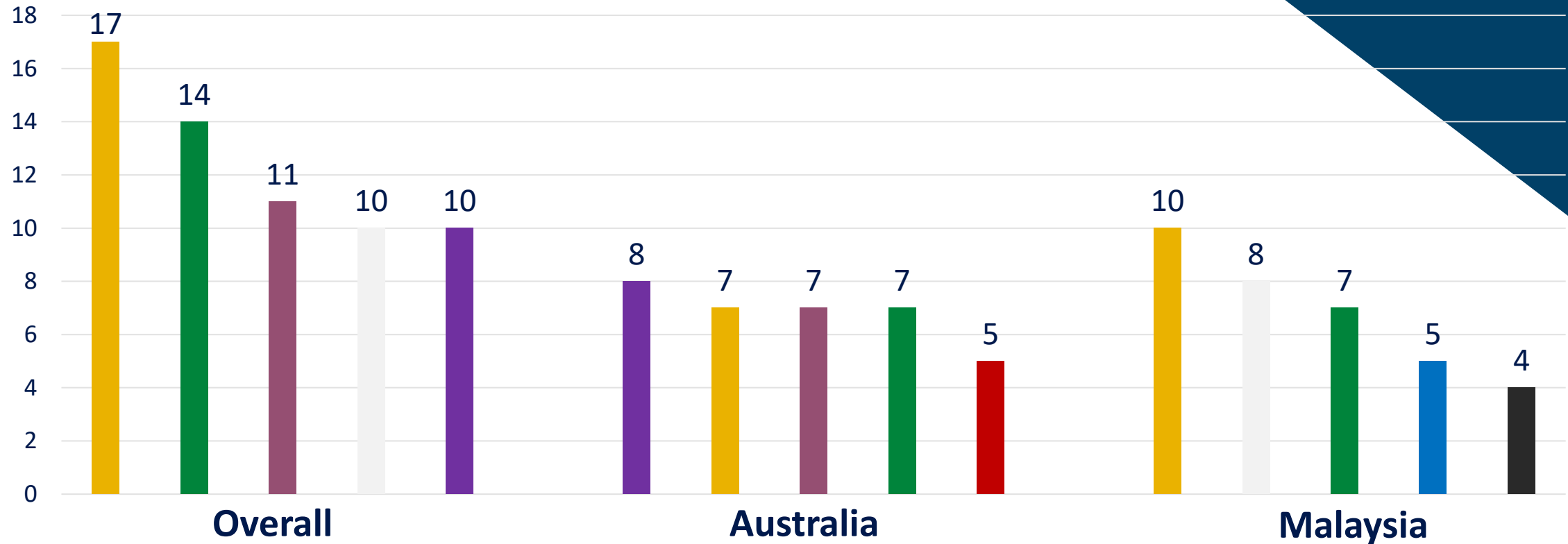
50 ASX-listed entities **+** 50 BM-listed entities **=** Sample size: 100 entities

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Industries

Top 5

Legend:
- Financial
- Industrials
- Healthcare
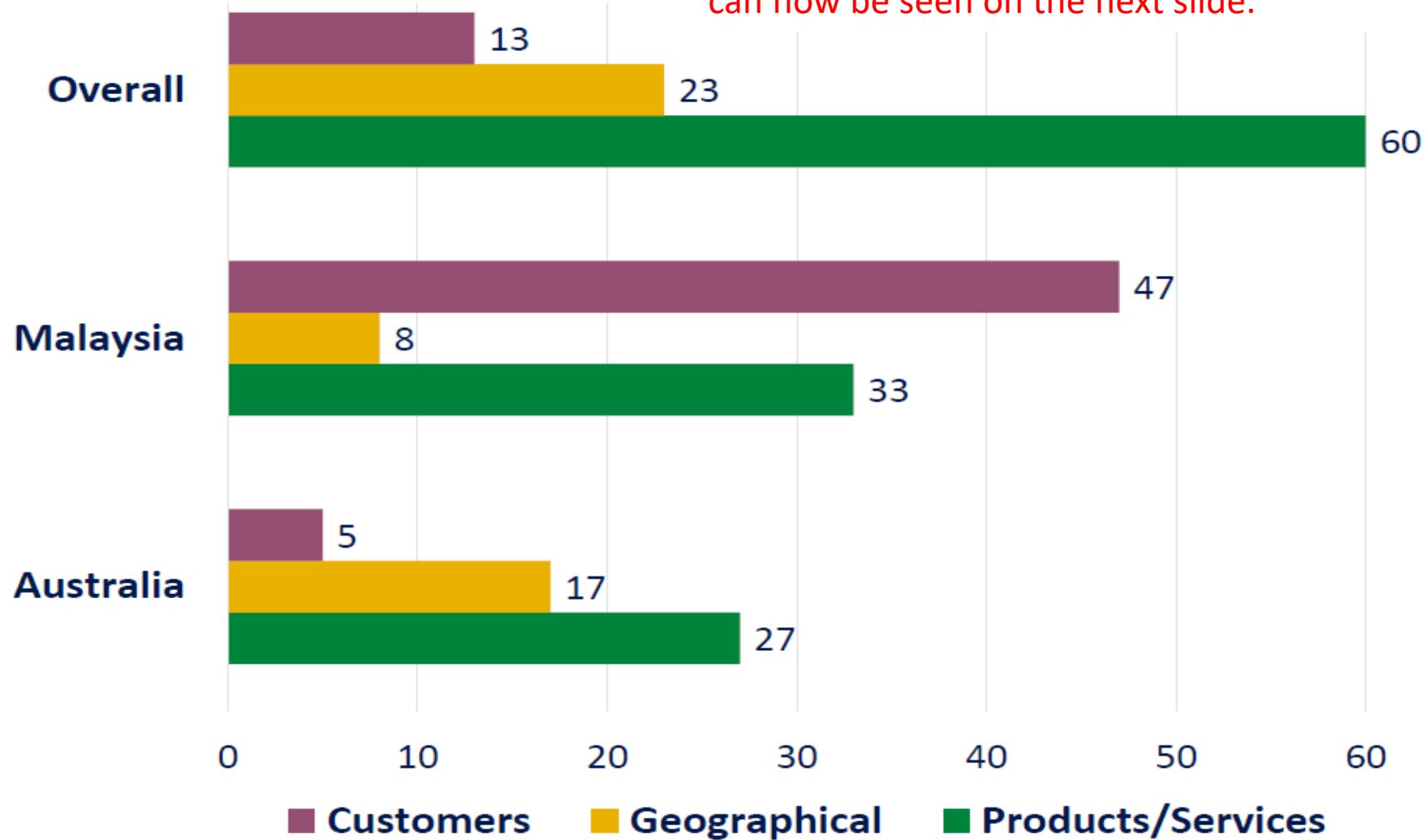- Materials
- Information Technology
- Consumer Staples
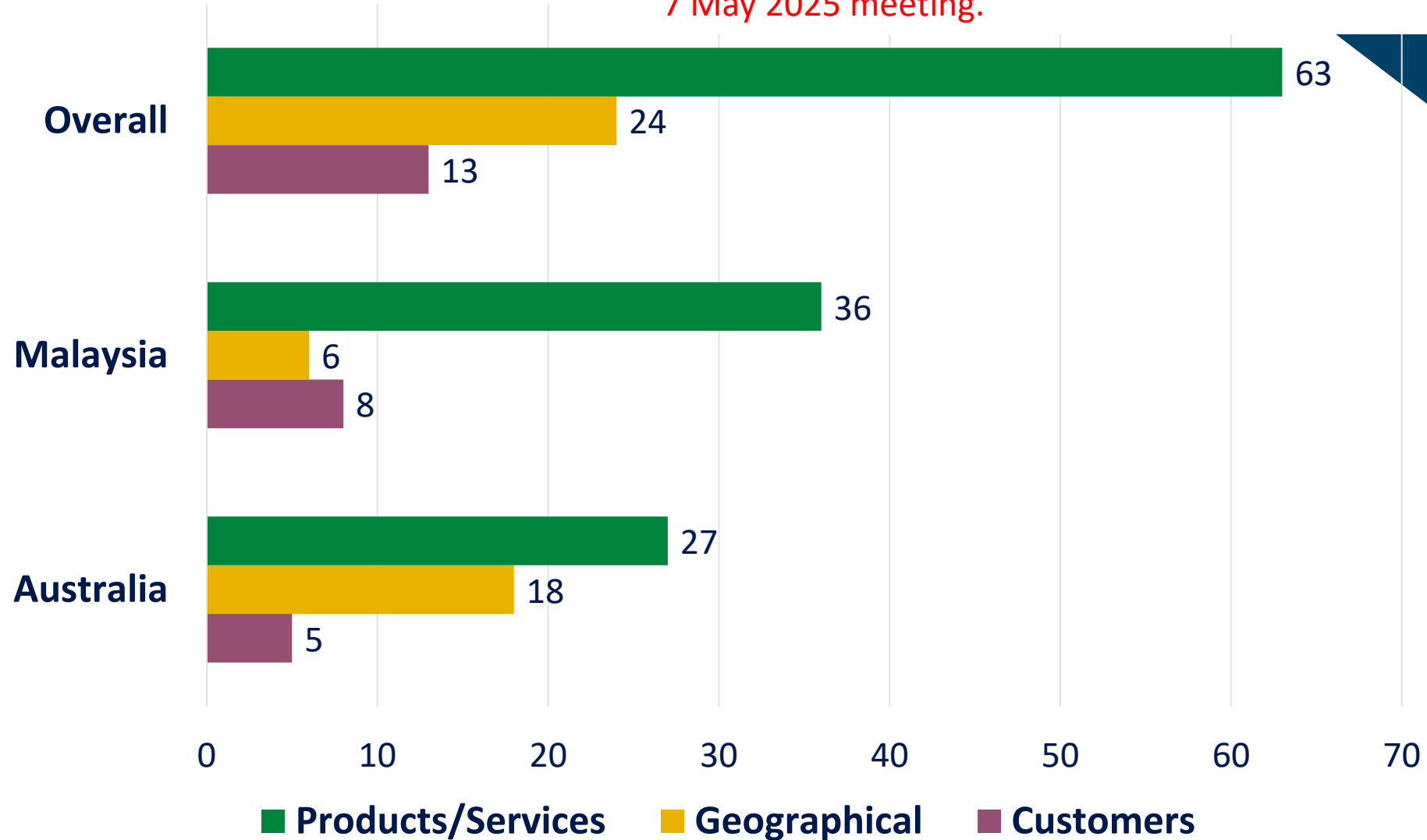- Communication services
- Energy & Healthcare

Segment Disclosures

Note: This slide was presented at the 7 May 2025 meeting, but the data has since been updated and can now be seen on the next slide.
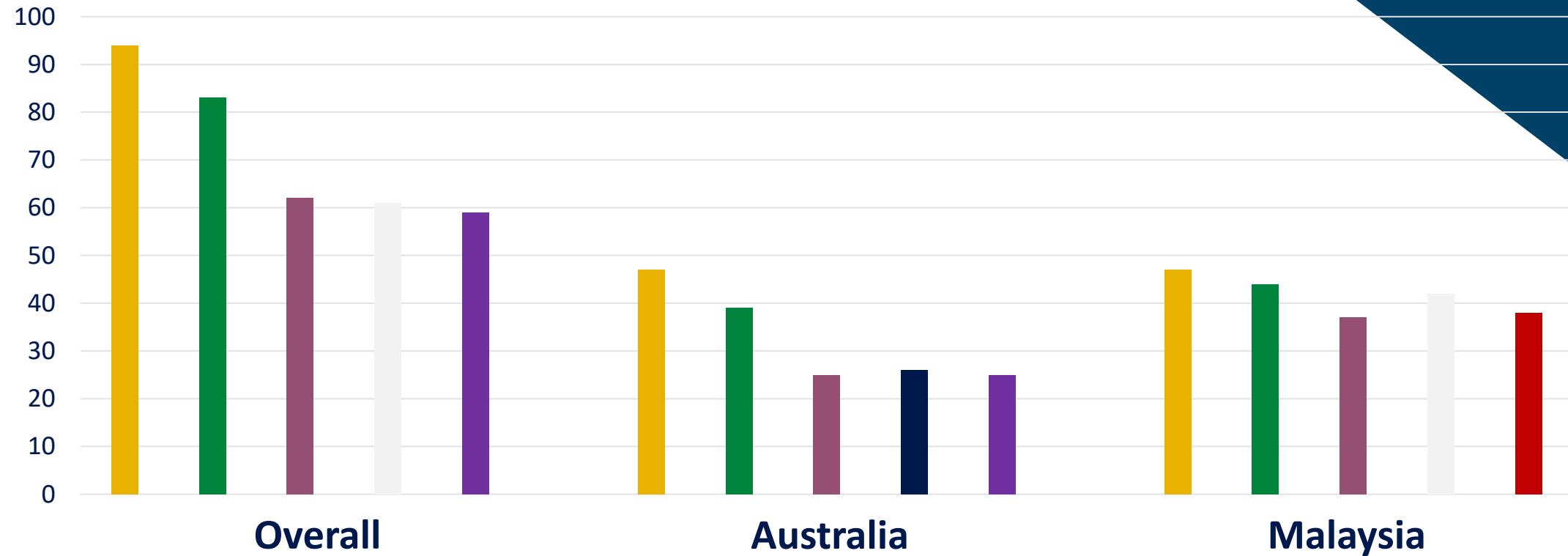

Legend: Customers (purple), Geographical (yellow), Products/Services (green)

Overall: Customers 13, Geographical 23, Products/Services 60
Malaysia: Customers 47, Geographical 8, Products/Services 33
Australia: Customers 5, Geographical 17, Products/Services 27

Segment Disclosures

Note: The data on this slide is accurate and was updated after the original presentation at the 7 May 2025 meeting.

Legend: ■ Products/Services ■ Geographical ■ Customers

Overall: Products/Services 63, Geographical 24, Customers 13
Malaysia: Products/Services 36, Geographical 6, Customers 8
Australia: Products/Services 27, Geographical 18, Customers 5

Reported Items
Top 5

Overall   **Australia**   **Malaysia**

■ **Operating Revenue**
■ **Total Assets**
■ **EBITDA**
■ **Inter-Segment Revenue**

■ **Depreciation and Amortization**
■ **Share Of Profit From Equity**
■ **Net Profit**

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Chief Operator Decision Maker

Note: This slide was presented at the 7 May 2025 meeting, but the data has since been updated and can now be seen on the next slide.

Overall

- No (29)
- Combinations (19)
- CEO (23)
- Boards (22)
- Executives (9%)

Australia

- No (10)
- Combinations (13)
- CEO (16)
- Boards (5)
- Executives (6)

Malaysia

- No (19)
- Combinations (6)
- CEO (7)
- Boards (10)
- Executives (8)

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Chief Operator Decision Maker

Note: The data on this slide is accurate and was updated after the original presentation at the 7 May 2025 meeting.

Overall

Australia

- No (10)
- Combinations (13)
- CEO (16)
- Boards (5)
- Executives (6)

- No (29)
- Combinations (19)
- CEO (23)
- Boards (15)
- Executives (14)

Malaysia

- No (19)
- Combinations (6)
- CEO (7)
- Boards (10)
- Executives (8)
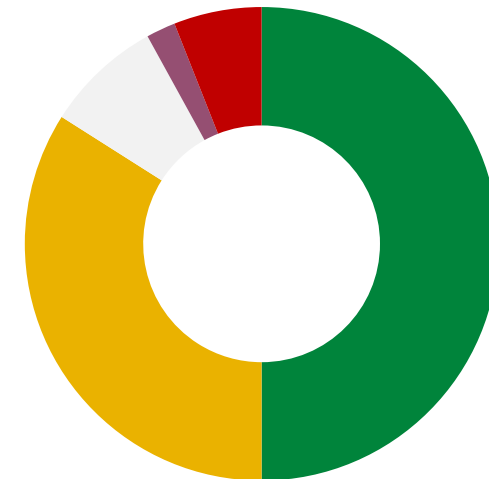
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Economic Indicators

Australia

- No (21)
- Profit (9)
- EBITDA (8)
- EBIT (8)
- Sales (4)

Overall

- No (46)
- Profit (26)
- EBITDA (12)
- EBIT (9)
- Sales (7)

Malaysia

- No (25)
- Profit (17)
- EBITDA (4)
- EBIT (1)
- Sales (3)

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Key Takeaways

Different approaches adopted

Diverse disclosures

Chief Operating Decision Makers (CODM)

Segment performance indicators

Thank you

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