

PRESS RELEASE

10 June 2014

**OECD round table on long-term investing—Singapore
Prepared opening remarks by IASB member Philippe Danjou**

On 04 June 2014 IASB member Philippe Danjou contributed to a high level round-table discussion entitled ‘Revisiting the accounting of long-term investment by institutional investors’, co-hosted by the OECD and the Ministry of Finance of Singapore.

In his remarks Mr Danjou stressed the importance of long-term investment in promoting economic growth and stability of capital markets. He also emphasised the role that financial reporting plays in helping long-term investors make sound capital allocation decisions.

Noting that critics of IFRS have claimed that the Standards favour a short-term view because of the use of measurement tools such as fair value, Mr Danjou pointed out that the use of fair value is much less prevalent than many believe. He added that fair value accounting, where it is a relevant measure, enables transparent and timely reporting of ‘bad news’, which is essential for sound investment decisions.

Finally, Mr Danjou explained that it is the aim of the IASB to better align accounting rules with the business models of the banking industry, to make the rules more understandable, and to make financial reporting by insurance companies more transparent. In his explanation, he emphasised that the IASB’s plans to replace the Standards on financial instruments and insurance contracts will not lead to an increase the use of fair value accounting.

The accompanying notes to Mr Danjou’s comments can be viewed in full [here](#).

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About the IASB

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting Standards that provide high quality, transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 16 full-time members drawn from 11 countries and a variety of professional backgrounds. Board members are appointed by, and accountable to, the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.