

## Appendix B - DE JURE HARMONISATION OF ACCOUNTING STANDARDS AS AT 31 DECEMBER 2001

	IAS	Indonesia	Korea	Malaysia	Philippines	Thailand
<b>Accounting standards may differ from that required by IAS because of the absence of specific rules on recognition and measurement in the following areas:</b>						
Derecognition of financial assets	IAS 39.35	X	X	X	X	X
Accounting for employee benefits other than pensions	IAS 19.52	X		X	X	
Splitting of an issuer's compound financial instruments into debt and equity components	IAS 32.23	X				
Determination of value in use as part of the measurement of impairment losses	IAS 36.5		X			
Treatment of lease incentives	SIC 15		X			X
Accounting for defined benefit employee obligations	IAS 19.52		X			
Recognition of intangible assets	IAS 38.51/56			X		
Impairment of assets other than property, plant and equipment	IAS 36			X		
Provisions	IAS 37			X		X
Provisions arising from business combinations accounted for as acquisitions	IAS 22.31			X	X	
Uniting of interests	IAS 22.8			X		
Treatment of goodwill	IAS 22.41			X		
Prohibition of discounting of deferred tax assets and liabilities	IAS 12.53			X		
An issuer's financial instruments are accounted for following their legal form rather than on the basis of whether they are in substance liabilities; compound instruments are not split on this basis	IAS 32.18/23			X		
Translation of financial statements of hyperinflationary subsidiaries	IAS 21.36			X		
Consolidation of special purpose entities	SIC 12			X	X	
Treatment of government grants	IAS 20			X		
Treatment of acquired research and development	IAS 22.27/39				X	X
Impairment of assets	IAS 36				X	
Treatment of research and development costs	IAS 38.42/45				X	
Accounting for leases	IAS 17				X	
Discounting of provisions	IAS 37.45				X	
Accounting for issuer's financial instruments	IAS 32.18/23				X	
Requirement for annual impairment tests when depreciable lives of goodwill or intangible assets exceed twenty years	IAS 22.56; IAS 38.99				X	
Hedge accounting for derivatives	IAS 39.142				X	X
Intangible assets, apart from research and development and start-up costs	IAS 38					X
Accounting for employee benefits	IAS 19					X

Accounting for deferred tax, although there are specific rules based on IAS for deferred tax relating to business combinations	IAS 12					X
--	--------	--	--	--	--	---

	IAS	Indonesia	Korea	Malaysia	Philippines	Thailand
<b>There are no specific rules requiring disclosures of:</b>						
FIFO or current cost of inventories valued under LIFO	IAS 2.36	X				
Fair values of financial assets and liabilities	IAS 32.77	X	X	X	X	
Segment liabilities	IAS 14.56	X	X	X		X
Fair values of investment properties	IAS 40.69		X		X	X
Primary/secondary segment reporting	IAS 14.26/27			X		X
Discontinuing operations	IAS 35			X		X
Cash flow statement need not be included, based on management's consideration of the cost-benefit factor and whether it will be useful for economic decisions	IAS 7.1					X
There are inconsistencies between specific country and IAS rules that could lead to differences for many enterprises in certain areas:						
Investment properties can be carried at cost without depreciation	IAS 40.50	X				
Foreign exchange losses related to the purchase of assets can be capitalised under less stringent conditions	SIC 11	X				
Proposed dividends are accrued as liabilities	IAS 10.11	X	X			X
Property, plant and equipment is sometimes revalued (based on governmental regulations or otherwise) but the valuations are not required to be kept up to date	IAS 16.29	X	X		X	
Classification of leases into finance and operating leases is based on different criteria	IAS 17.3	X				
No precise requirements for the choice of actuarial method and discount rates in calculating retirement benefit obligations	IAS 19.64/78	X				
Initial event for disclosures relating to discontinuing operations may be different, and disclosures less extensive	IAS 35.16/27	X				
Segment reporting is not prepared on the basis of a primary/secondary split	IAS 14.26	X				
Legal fees and other costs related to establishing a new company can be capitalised	IAS 38.57		X		X	
Provisions can be set up on the basis of decisions by directors without there being an obligation	IAS 37.14		X			
Provisions are set up on the basis of probability of outflows of resources rather than an obligation	IAS 37.14				X	
Provisions do not need to be discounted	IAS 37.45		X			
An issuer's financial instruments are accounted for following their legal form rather than on the basis of whether they are in substance liabilities; compound instruments are not split on this basis	IAS 32.18/23		X			
Disclosures about discontinuing operations may begin later	IAS 35.16		X			
Trading, available-for-sale and derivative financial assets are not recognised at fair value	IAS 39.69			X	X	
Trading and derivative liabilities are not recognised at fair value	IAS 39.93			X	X	X
Hedge accounting is permitted more widely	IAS 39.142			X		

Surpluses on the revaluation of investment properties are generally taken to reserves	IAS 40.28			X		
---	-----------	--	--	---	--	--

	IAS	Indonesia	Korea	Malaysia	Philippines	Thailand
Deferred tax is calculated on the basis of timing differences rather than temporary differences, and partial allocation (on the basis of likelihood of crystallization of assets and liabilities) is allowed	IAS 12.5/15			X		
Deferred tax assets on loss carryforwards are generally not recognised, but disclosed	IAS 12.34			X		
Employee benefit obligations are not required to use the projected unit credit method, to use the current interest rate to determine the discount rate, or to take account of expected future salary increases	IAS 19.64/78/83			X		
In respect of financial statements covering accounting periods commencing before 1 July 2001, exchange differences on long term monetary items can be deferred	IAS 21.15			X		
Some business combinations are accounted for as unitings of interest even though an acquirer can be identified	IAS 28.8				X	
An excess of fair values of identifiable net assets acquired over cost, should be used to reduce fair values of non-monetary assets with only remainder being recognised as negative goodwill	IAS 29.59				X	
Foreign exchange gains or losses on long term monetary items may be deferred until settlement, and losses related to assets can be capitalised	IAS 21.15; SIC 11				X	
Pension obligation calculations can use a choice of actuarial methods, and generally use a long run discount rate	IAS 19.64/78				X	
Past service costs must be amortised even if they are vested	IAS 19.96				X	
Gains and losses on the sale of revalued assets include related amounts transferred from equity	IAS 16.56					X
Lessors can recognise lease income on the basis of the net cash investment rather than the net investment	IAS 17.30					X
<b>In certain enterprises, these other issues could lead to differences from IAS</b>						
In an acquisition, if the fair values of identifiable net assets acquired exceed cost, fair values of non-monetary assets should be reduced proportionately	IAS 22.59	X				
No specific rules for the inclusion of joint venture entities in consolidated financial statements, therefore interests of less than 20% in a joint venture might be accounted for on a cost basis	IAS 31.25/32	X				
IAS treatment for the translation of hyperinflationary subsidiaries is not allowed	IAS 21.36		X			
No rules concerning the translation of the financial statements of subsidiaries operating in hyperinflationary economies	IAS 21.36	X				
No rules concerning the treatment of lease incentives	SIC 15	X				
Segment information may be prepared using different accounting policies from those used for the financial statements	IAS 14.44	X				
No rules addressing the consolidation of special purpose entities	SIC 12	X				
Special purpose entities established before 2000 are not consolidated	SIC 12		X			
Acquisition date of a subsidiary may be identified as the beginning or end of the year of acquisition instead of the date of acquisition of control	IAS 22.19		X			
Discounting of deferred tax balances is not prohibited	IAS 12.53				X	

Source: GAAP 2001: A survey of National Accounting Rules

