



As major elements of the balance sheets are revalued to reflect current market price, the concept of financial statements capturing the financial position at a specific date probably needs a health warning. Readers should be warned that it only presents the financial position at a particular point in time in the past as by the time it is presented, it would already be out of date especially under volatile market conditions.

Fair and true view of financial statements

What I am saying is that I understand why financial reporting standards are increasingly mandating revaluation and on-balance-sheet accounting of all types of derivatives instruments, but these only present the financial position at a particular point in time. Going forward, perhaps financial reporting needs to better reflect the dynamic situation of the real world by giving much more analysis and disclosing more of the underlying information behind the figures. There also need to be better connections between risk management and its accounting treatment. I am therefore happy to know that this conference will focus on the implementation of IFRS 9 on financial instruments and also that Hans will give us an update on future plans for financial reporting.



Concluding remarks