Press release

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International Organization of Securities Commissions

Basel Committee of Banking Supervision

International Association of Insurance Supervisors

The World Bank

The Financial Stability Forum

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International Regulators and Related Organizations Announce the Public Interest Oversight Board for the International Accountancy Profession

The International Organization of Securities Commissions (IOSCO), the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors (IAIS), the World Bank and the Financial Stability Forum announce today's formal establishment of the Public Interest Oversight Board (PIOB) to oversee the public interest activities of the International Federation of Accountants (IFAC).

The PIOB will oversee IFAC's international standard setting activities in the areas of audit performance standards, independence and other ethical standards for auditors, audit quality control and assurance standards, and education standards. It will also oversee IFAC's Member Body Compliance Program. The PIOB will be chaired by Stavros Thomadakis, Professor of Finance at the University of Athens, and former chairman of the Hellenic Capital Market Commission. A list of the PIOB members and their affiliations is attached.

The establishment of the PIOB is the result of a collaborative effort by the international financial regulatory community, working with IFAC, to ensure that the auditing standards set by IFAC and its committees are set in the public interest. Establishment of higher quality standards, coupled with strengthened auditor oversight nationally are part of the substantive reforms that regulators have identified as necessary to achieve a step-up in the quality of external audits of individual companies around the world. The PIOB will strengthen international auditing standards by injecting informed oversight in the public interest into IFAC's standard-setting activities, and by enhancing the transparency and consultative processes of these activities.

Michel Prada, Chairman of the French Financial Markets Authority and Deputy Chairman of the IOSCO Technical Committee, who led the coordination of work amongst financial regulators and related international organizations, said: "The creation of the PIOB is the fruit of

a convergence of views between the official community and IFAC and expresses a sense of responsibility among audit practitioners and the international institutions and regulatory organisations involved in promoting financial stability in a globalised economy. This undertaking will, in enhancing the quality of financial reports and restoring public confidence, contribute to the implementation of the recommendations of the G7 Finance Ministers."

Stavros Thomadakis also stressed the importance of regulatory engagement: "The creation of the PIOB is a landmark in the cooperation of world regulatory organizations for the oversight of international standard-setting for auditors. The project of the PIOB is ambitious and represents a novelty for world-level public oversight. Success for the PIOB will mean quality, stability, and integrity in companies and world markets. It is a heavy responsibility that must be carried out in close cooperation with national oversight authorities for accountancy, as well as the regulatory organizations and IFAC."

Roger Ferguson, Chairman of the Financial Stability Forum (FSF) and Vice Chairman of the Board of Governors of the Federal Reserve System, said, "The FSF welcomes the start up of the PIOB. There is a strong public policy interest in sound international audit practice standards and their effective implementation. We expect that the PIOB and the International Auditing and Assurance Standards Board will both benefit from and contribute to the work being done by audit oversight authorities at the national level and by other regional and international bodies with an interest in strengthening audit quality."

International regulators and related organizations, including representatives of IOSCO, the BCBS, the IAIS, and the World Bank, have appointed the PIOB in accordance with the reforms unanimously approved by IFAC. These organizations and the FSF will continue to serve a role in a Monitoring Group, which is to be a vehicle for dialogue between regulators and the international accountancy profession, and to update the PIOB regarding significant events in the regulatory environment.

The Members of the Public Interest Oversight Board are:

Dr. **Stavros THOMADAKIS, Chairman**
Professor of Finance, University of Athens, Greece. Former Chairman of Hellenic Securities Commission, the European Regional Committee of IOSCO, and the expert group on Market Abuse of the Committee of European Securities Regulators.

Mrs. **Aulana L. PETERS,** Retired lawyer. Former Commissioner of the US Securities and Exchange Commission and former member of the Public Oversight Board of the American Institute of CPAs.

Mr. **Antoine BRACCHI,** Président, Conseil National de la Comptabilité, France

Mr. **David A. BROWN,** Chairman, Ontario Securities Commission, Canada

Mr. **Fayezul CHOUDHURY,** Vice-President and Controller, The World Bank

Mr. **Michael HAFEMAN,** Retired Insurance Supervisor. Former Assistant Superintendent of Financial Institutions, Canada

Mr. **Kosuke NAKAHIRA,** Vice Chairman, Institute for International Economic Studies. Former Vice-Minister of Finance for International Affairs, Ministry of Finance, Japan

Prof. Dr. **Arnold SCHILDER,** Executive Director, De Nederlandsche Bank NV, Netherlands